Annual Report 2023/24

Tatry mountain resorts, a. s.

and its Subsidiaries

as of October 31, 2024

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,

This past financial year was marked by significant strategic decisions and impressive financial achievements for our company. Despite a dynamic economic environment, we successfully reinforced our position as a leader in the tourism sector throughout Central and Eastern Europe, while simultaneously establishing a robust foundation for future growth and development. A key milestone was undoubtedly the successful increase in share capital via a share issuance valued at EUR 120 million, underscoring our shareholders' confidence in our strategy and the company's long-term potential. has empowered us to continue advancing our development, enhancing the quality of our services, and bolstering our competitive edge. In conjunction with a rise in share capital, we secured another major accomplishment in the realm of external financing by finalizing a comprehensive financing package. This package consisted of a senior loan of EUR 180 million from prominent Slovak, Czech, and Polish banks, as well as a junior loan of EUR 110 million from J&T Banka. The proceeds were allocated to refinance and settle nearly all existing bank liabilities and Group bonds. This backing from reputable financial institutions is a testament to their confidence in our sustainability, credibility, and our capacity to generate enduring value for all stakeholders.

In the financial year 2023/24, the Group's total revenues reached EUR 207 million a year-on-year increase of 9.8% - with operating profit (EBITDA) of EUR 57.7 million. After accounting for depreciation, financial expenses, and taxes, we recorded a consolidated loss of EUR 1.4 million. Despite this loss, we maintained a stable cash flow and met all Group obligations.

The winter season proved successful, particularly in our Slovak resorts, despite weather fluctuations. Higher altitudes and long-term investments in enhancing our snowmaking infrastructure allowed us to maintain skiing operations at higher elevations for nearly five months. In contrast, our resorts in the Czech Republic and Poland experienced reduced attendance and therefore lower revenues due to higher temperatures, while interest in our Austrian resorts increased compared to the previous fiscal year.

Both our water parks, Bešeňová and Tatralandia, enjoyed successful winter and summer seasons, achieving record attendance of over 1.4 million visitors during the financial year - an increase of nearly 5% compared to the previous year. Although our amusement park Legendia saw a 7% decline in visitors, overall attendance in the amusement park segment (including water parks) grew by almost 2%.

The hotels in the TMR portfolio significantly contributed to our results, with revenues growing by 11.6%. We continued to build on the trend of overnight stays in TMR hotels combined with ski and aqua passes included in the price of the overnight stay, resulting in a 4.3% increase in the average room rate.

Throughout the year, we hosted our popular events. The highlight of the past winter was the Women's Alpine Skiing World Cup Championship in Jasná, which attracted 12,000 visitors, was streamed by over 100 million viewers worldwide, and achieved notable international success. In the Tatra region, the Tatranský Ice Dome at Hrebienok - designed to resemble London's Westminster Abbey - remained the most visited attraction. Additionally, we introduced numerous new and attractive offers for our clients via our e-shop and the Gopass loyalty program.

Over the past year, we reinvested EUR 19 million, primarily into our Slovak resorts with a focus on the Jasná Central Resort Hotel project. Significant investments included the acquisitions of Hotel Sasanka and land in the High Tatras, as well as the investments in our foreign resorts in Poland, the Czech Republic, and Austria.

Looking ahead, we will continue to enhance the quality of services at our resorts and bolster their competitiveness through product innovations. A key development from November 1, 2024, is the launch of the new Gopass Cashback loyalty program, which enables clients to earn cashback in the form of GoX, instead of the loyalty points used in past. This GoX Cashback can be used to purchase additional products and services from our program partners. This new reward system offers a universal, still transparent method for obtaining benefits across a wide range of our operations and products.

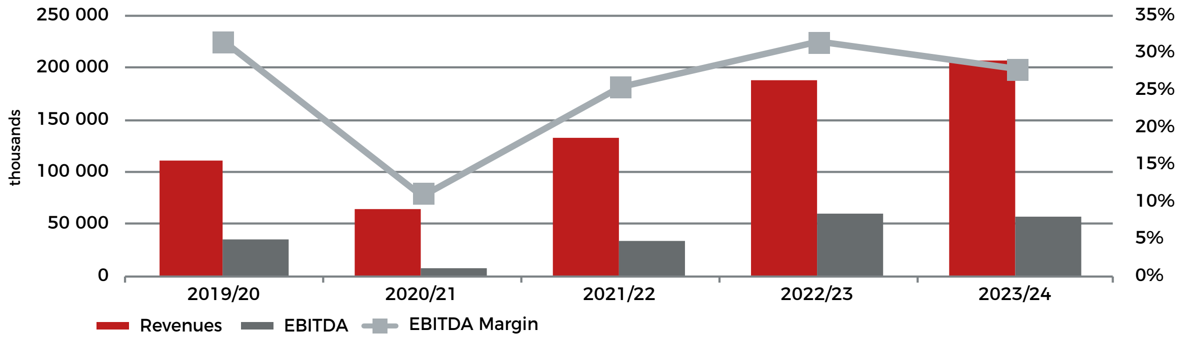
Igor Rattaj

OPERATIONS REVIEW

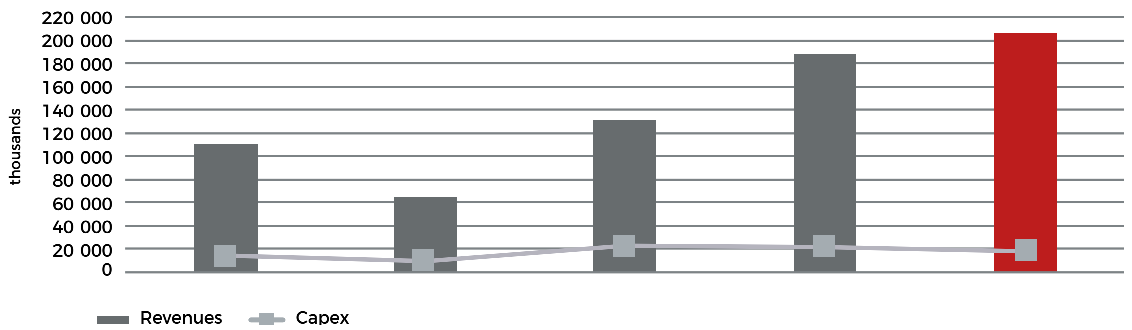
Consolidated Financial Highlights

in €'000 unless specified otherwise	2023/24	2022/23	2021/22	2020/21	2019/20
Revenues	206 852	188 379	132 119	64 697	111 197
EBITDA	57 662	59 366	33 696	7 000	35 137
EBIT	35 976	23 357	11 630	(23 831)	7 387
Net Profit / (Loss)	(1 421)	(548)	(11 947)	(45 876)	(20 513)
CAPEX	19 010	22 655	23 616	10 555	14 452
Average no. of employees	1 527	1 456	1 359	1 193	1 332
Earnings per share (EUR)	(0,205)	(0,074)	(1,694)	(6,816)	(3,013)
Hotel Occupancy (%)	58,8%	59,4%	54,5%	37,4%	49,4%
Avg. Daily Rate per Room (EUR)	117,02	112,17	107,12	84,70	99,70
Visit Rate Mountain Resorts ('000)	3 008	2 975[1]	2 660	1 163	2 425
Visit Rate Leisure Parks ('000)	1 810	1 780	1 416	483	655
EBITDA (%)	27,9%	31,5%	25,5%	10,8%	31,6%
EBIT (%)	17,4%	12,4%	8,8%	-36,8%	6,6%
Equity	148 864	31 896	33 007	45 123	91 886
Debt-to-Equity (%)	186,2%	1188,7%	1178,6%	816,5%	366,8%
Debt-to-Capital (%)	65,1%	92,2%	92,2%	89,1%	78,6%
Debt/EBITDA	4,8	6,4	11,5	52,6	9,6
Total Assets	608 106	579 634	574 667	556 761	561 927

Key Operating Results



Revenues vs. CAPEX



1 Revised

TMR IN NUMBERS

11 resorts

4.8 mil. guests +2.3%

7 mountain resorts

3 leisure parks

1 golf resorts

3.0 mil. skier days +1.1%

1.8 mil. guests +1.7%

21 own / managed hotels

58.8 % occupancy -0.93 p.p.

117.0 € ADR +4.3%

Group Revenues
206.9 mil. € +9.8%

Group EBITDA
57.7 mil. € -2.9%

Group Net Loss
-1.4 mil. €

FTE
1 527

CAPEX
19.010 mil. €

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.

2024

- In 2024, TMR increased its share capital by EUR 120 million to strengthen its capital structure. At the same time, it successfully refinanced its existing loans through leading banks in the total amount of EUR 290 mil.

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 (38.0%) and from accommodation services in the hotels that TMR owns and/or runs (30.2%). Additional revenues come from ticket sale in the leisure parks (12.7%), and from ancillary services provided by the dining facilities on the slopes, in the golf resorts, and in the leisure parks (14.5%) and sports and souvenir stores, rentals, and ski schools (3.8%). 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 (0.4%). A part of revenues also comes from the operation of leased golf resorts (0.4%). 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.

In Poland TMR owns 98.6% 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.

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

On March 7, 2024, the company GOPASS Property SK s.r.o. was established in the Slovak Republic, becoming 100% owned by GOPASS Property, a.s.

On March 28, 2024, a sale agreement was concluded for a 73.7% stake in the company Korona Ziemi Sp. z o.o. The transaction resulted in a loss from the sale of the subsidiary amounting to EUR 1.9 mil.

On April 10, 2024, the company GOPASS Property, a.s. acquired a 100% stake in GOPASS Property PL Sp. z o.o., headquartered in Poland.

On April 27, 2024, the company JASNÁ CENTRAL, s.r.o. was established in the Slovak Republic.

On June 26, 2024, the company Ankogel Bergbahnen BE GmbH was founded, becoming 100% owned by Mölltaler Gletscherbahnen Gesellschaft mbH & Co KG.

On August 6, 2024, the company CENTRAL JASNÁ Property a.s. was established, becoming 100% owned by the Company.

On August 21, 2024, a 100% stake was acquired in the company FORESPO HOREC A SASANKA a.s., which owns Hotel Sasanka. The company was subsequently renamed HOTEL SASANKA Property, a.s.

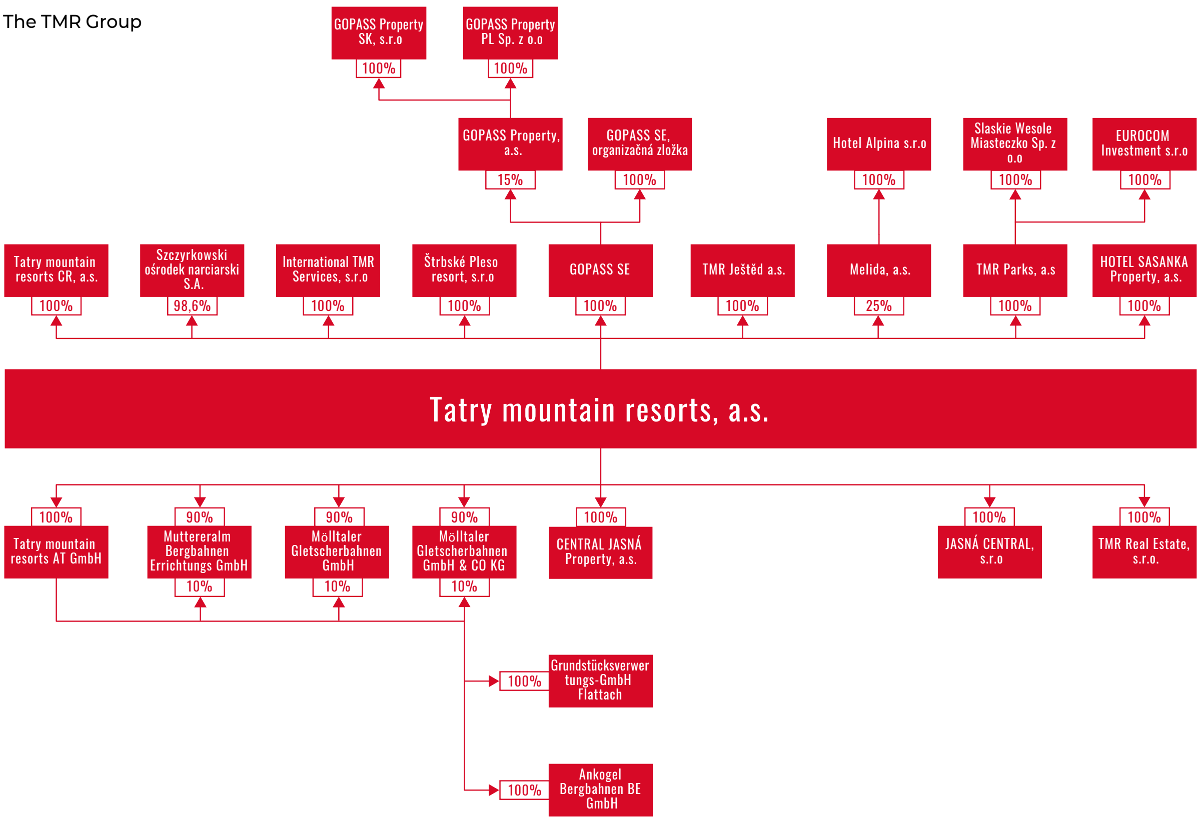
On October 18, 2024, an 85% stake in GOPASS Property, a.s., headquartered in the Czech Republic, was sold. Until then, it was 100% owned by GOPASS SE.

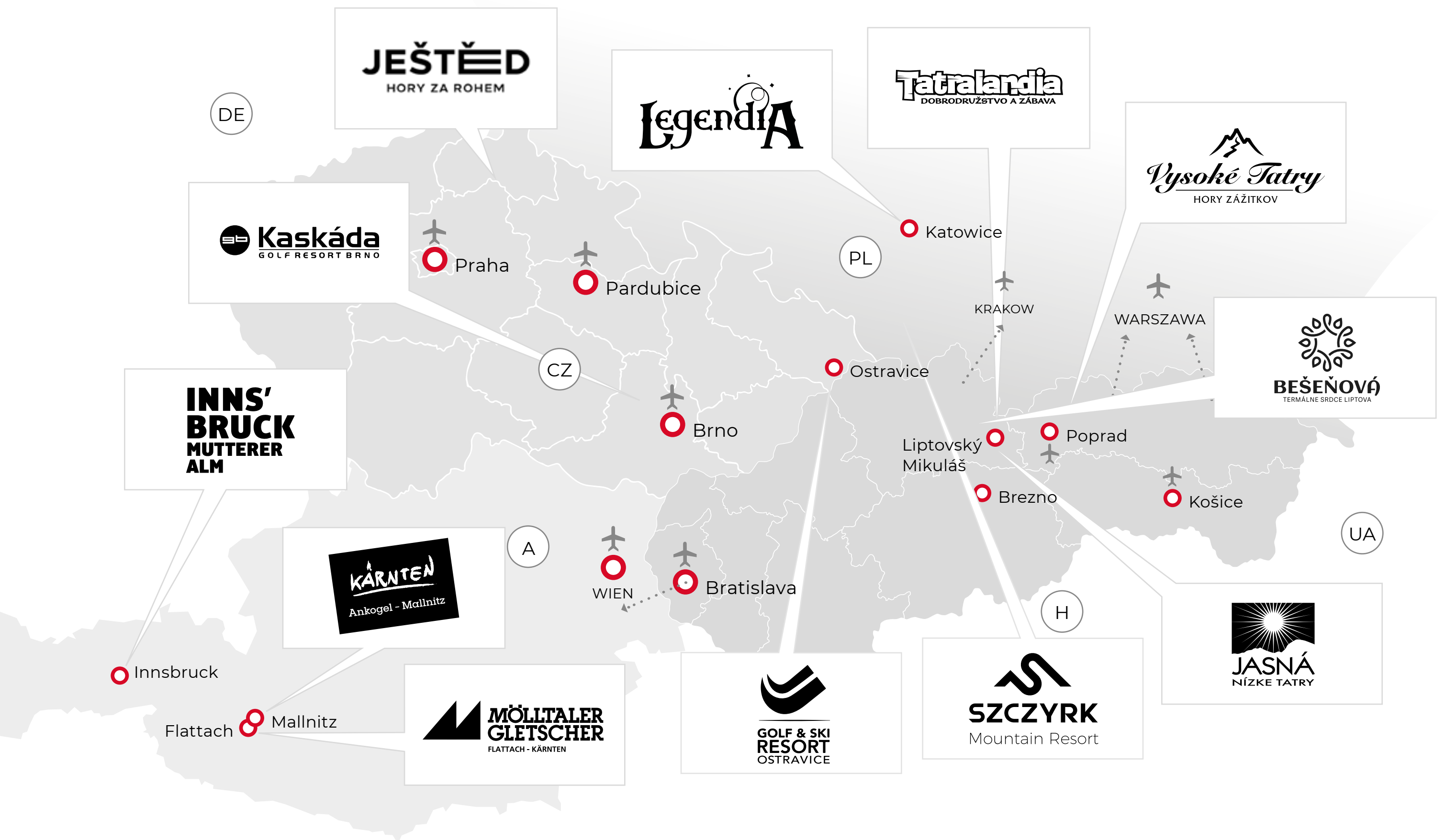
As part of the transaction, TMR Group also deconsolidated GOPASS Property SK, s.r.o. and

GOPASS Property PL Sp. z o.o., both of which were 100% subsidiaries of GOPASS Property, a.s.

On October 31, 2024, the Company sold its 100% stake in TMR Finance CR, a.s.

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 22,065 persons/hour
- **Hotels** - Grandhotel Praha**** Tatranská Lomnica, Grandhotel**** Starý Smokovec, Hotel FIS*** Štrbské Pleso, A Night at Lomnický Peak, Horec suites
- **Real Estate** - Hotel Sasanka**, Solisko Lodge

Mountain Resort JASNÁ NÍZKE TATRY (Jasná Low Tatras)

- The biggest winter sports resort in Central Europe
- Ski areas - Chopok North and Chopok South
- Host of World Cup Jasná
- 50 km of ski trails, 42.5 km of snowmaking
- 20 cableways and lifts
- Max. transportation capacity 31,935 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, Jasná Central Resort Hotel

Mountain Resort SZCZYRK MOUNTAIN RESORT (Szczyrk)

- 22.1 km of ski trails, 17.6 km with snowmaking, 5km of lit-up trails
- 6 cableways and lifts
- Max. transportation capacity: 11,821 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 36 km of ski trails and almost 7 km of freeride terrain
- 9 cableways and ski lifts
- Max. transportation capacity of 15,610 persons/hour
- 8.9 km 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 5,260 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 16.5 km of ski trails and 8 km of toboggan trails
- 4 cableways and ski lifts
- 8.5 km of ski trails covered with snow made by 3 snow guns and 133 poles
- Max. transportation capacity of 5,688 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 9 km of slopes from which 7.4 km covered with snow using snow guns and poles
- 9 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
- 416 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, Lake Garden 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
- 40 attractions
- Location - Park Śląski (Silesian Park) near Chorzów, Poland

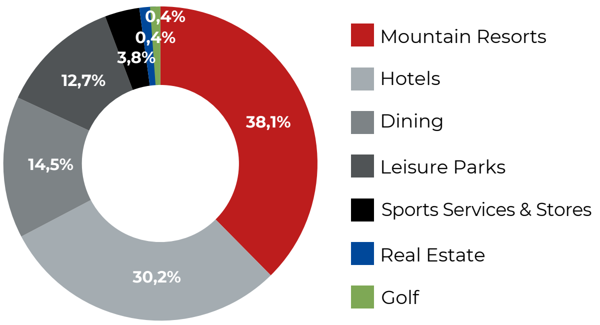
GOLF & SKI RESORT OSTRAVICE

- 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

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 190 km of trails with transport capacity approximately 120 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. In march 2014 TMR acquired 97% of shares in the company owning and this ski resort. Subsequently, TMR hold 98.6% of shares of this above-mentioned company as of the date of this annual report.

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 - SLIEZSKY ZÁBAVNÝ 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

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 resort, 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. In financial year 2023/24 there has been a complete reconstruction of the hotel wellness & spa undertaken including pools, saunas and changing 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. 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
13 rooms, 30 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**
142 rooms, 305 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****

102 rooms, 200 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 three locations - Jasná Záhradky, Jasná Otupné 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. New for the financial year 2019/20 are renovated rooms, bathrooms, and a renewed breakfast concept.

A night on Mt. Chopok

3 rooms, 8 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. New for the financial year 2019/20 is the designer A´la Carte restaurant.

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.

Hotel Ostredok

Rooms 32, beds 64

This hotel has been part of the TMR hotels since winter 2024. Thanks to its location it offers spectacular views of Jasna and Chopok panorama. Other than comfortably furnished rooms for guests is available a quality gastronomy and relax enthusiasts will benefit from hotel wellness & spa.

Holiday Village Tatralandia

116 rooms, 416 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***

126 rooms, 256 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****
56 rooms, 112 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****
216 rooms, 434 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**
47 rooms, 94 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.

Villa Gronie Ski&Bike, Szczyrk Mountain Resort
9 rooms, 38 beds
Villa Gronie Ski&Bike, located opposite the Hotel Gronie Ski&Bike, offers a total of 9 rooms, all equipped with bathrooms, kitchenettes, balconies, and terraces. Guests can enjoy a shared relaxation area, making it an ideal accommodation for larger families and groups.

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 lodging. 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, Lodge Solisko and Bivac Club. Revenues from the Real Estate segment come mainly from the hotel leases, and the sale of recreational units within the company's development projects.

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 2024, for the last 18 years TMR had invested in its resorts and hotels over EUR 485 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 19 million in 2023/24 primarily include the continuation of the construction of the Hotel Central Jasná complex. Other investments involve the acquisition of Hotel Sasanka and land plots in the High Tatras. Additionally, investments were made in improving snowmaking in the High Tatras, enhancing IT infrastructure, and renovating the pool hall. In Poland, at the Szczyrk resort, TMR invested in the development of the existing bike park and made smaller operational investments. In the Legendia resort, smaller operational investments were also made. The Group acquired the Villa Gronie property in Szczyrk. In the Czech Republic, at the Ještěd resort, the Group invested in various operational improvements, and at the Kaskáda golf resort, investments were made in the renovation of hotel rooms and conference center equipment. In the Austrian resorts of Mölltaler and Ankogel, investments were made in ski resort equipment, and at the Muttereralm resort, in a new access system as well as in ski resort equipment.

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 Hotel Central 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.

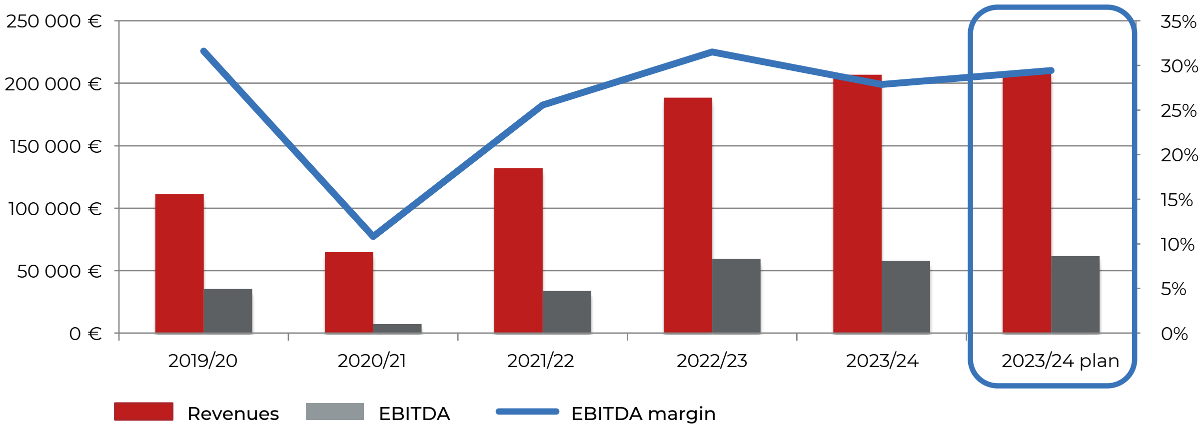
FINANCIAL GOALS

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

The short-term goal for 2023/24 included a revenue forecast in value of EUR 209 mil. and EBITDA of EUR 61.5 mil. This financial forecast was presented at the General meeting held on May 17, 2024. TMR did not meet the revenue and EBITDA plan due to lower revenues during the winter season in foreign resorts and the creation of a EUR 2 mil. impairment of receivables.

CAPEX	ACQUISITIONS	QUALITY
■ Over EUR 485 million over 18 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



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 2023/24

The ski season in TMR's Slovak resorts kicked off in Jasná on December 2, with Štrbské Pleso opening on the same day. In Tatranská Lomnica, operations started a week later, on December 8. At the beginning of the winter season, on November 17, the most visited attraction in the High Tatras, the Tatra Ice Dome on Hrebienok, reopened. The 11th edition of this attraction was inspired by Westminster Abbey in London and was dedicated to a significant event-the 15th anniversary of Queen Elizabeth II's visit to the High Tatras in 2008. Other proven winter events included Hero Season Trophy at Štrbské Pleso, Tatranská Lomnica, and Jasná, where the grand prize for the winner was a pair of Rossignol skis signed by Slovak skier Petra Vlhová, Chopok Tastes, Experience Dinner with Folk Music at Habarka, and Tatry Ice Master at Hrebienok. The most-watched event of the season was the FIS Women's Alpine Skiing World Cup in Jasná held in our largest ski resort in Slovakia. In our foreign resorts, traditional winter events included the popular New Year's Eve skiing and

The Red Bull Winter Vibes event in Szczyrk in Szczyrk, and numerous other events across our international resorts.

During the summer season, one of the key events was the Bear Days festival at Hrebienok at the end of July. This family-friendly entertainment and educational festival introduced a new silent format, which was once again well received by visitors and industry professionals. For the 150th anniversary of the founding of Štrbské Pleso, the annual Venetian Night took place, featuring cultural and culinary experiences, as well as romantic boat rides on the lake. In Tatralandia, the summer animation program was themed "Unforgettable Summer in Tatralandia", featuring theme days, competitions, and special events for all age groups. At the Bešeňová Water Park, the summer season was launched with a concert by IMT Smile. In the Jasná ski resort, the most successful summer event was once again the "Bandits at the Shepherd's Hut on Priehyba", with the main act being the band Hrdza. A new children's adventure game, "The Adventure of Valaška the Little Sheep", was introduced, offering kids a magical world full of tasks designed to develop their creative and cognitive skills. At Legendia, the 65th anniversary of the park was celebrated with animation programs throughout the summer. The most successful event was "Legendia at Night", featuring evening park openings with a rich entertainment and music program.

NOVELTIES

Jasná Nízke Tatry (Jasná Low Tatras)

Several new features were introduced at Jasná during the 2023/2024 winter season. The most significant improvements included enhanced snowmaking, the reopening of the Brhliská ski lift, expanded accommodation capacity with the addition of Hotel Liptov, and upgraded details on some ski slopes. The most important event of the year was the FIS Women's Alpine Skiing World Cup, which attracted huge spectator interest.

Vysoké Tatry (The High Tatras)

The High Tatras resort invested in improving ski slope preparation by purchasing a brand-new Prinoth Leitwolf snow groomer for nearly half a million EUR. Another novelty during the summer season was the viewing tower at Štrbské Pleso, which became part of the portfolio on July 20, 2024. The 53-meter-high tower has a 15° incline and is situated at an altitude of 1,367 meters.

Szczyrk Mountain Resort

The Polish resort Szczyrk Mountain Resort provided winter sports opportunities for all types of skiers-from alpine skiing enthusiasts to ski touring fans. A key new feature was the closer cooperation with Beskid Sport Arena (BSA), allowing the night skiing pass to be valid in both Szczyrk and BSA. Another major improvement was the return of a free ski bus, which once again transported skiers to all resorts in Szczyrk.

Ještěd

The ski season at Skiareál Ještěd began on December 9, with the official opening taking place a week later on Saturday, December 16, during the ORLEN Ještěd SkiOpening event. The opening was held directly at the Nová Skalka slope, featuring a music program with DJs and various partner activities. The biggest highlight of the ski area, which is accessible by tram from Liberec, remained the Nová Skalka slope, which features modern and energy-efficient lighting, enabling perfect night skiing on its 1.5 km-long, 45-meter-wide course.

Mölltaler Gletscher

The most significant upgrade at Mölltaler Gletscher was the modification and expansion of slope No. 9, which runs from the EISSEE restaurant to the upper station of the Mölltaler Gletscher Express funicular. At the most critical point of the slope, the rocky terrain was adjusted, allowing the piste to be widened by approximately 15 meters. This significantly improved both safety and comfort for skiers. Thanks to this change, the popular family-friendly route is now classified as a blue (easy) slope.

Muttereralm

The Innsbruck Muttereralm resort also introduced many new features. The FIS Abfahrt slope, which was once a popular ski run, was reopened- it had always depended on natural snow. The number of events was doubled, snow supply was improved for an extended sledding season, and the resort introduced a new activity - SNOOC downhill rides.

Špindlerův Mlýn

The biggest highlight of the winter season at Špindlerův Mlýn, the most popular Czech ski resort, was the opening of two new ski slopes - Lesná and Priehradná. In the future, once the planned chairlift is completed, these slopes will connect the two main areas of the resort - Medvědín and Svatý Petr. Along with expanding existing slopes and installing the latest snowmaking systems, this project represents an investment of 300 million CZK.

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.

In 2024, key global economic events, including the ongoing war in Ukraine, escalating geopolitical tensions in the Middle East, and climate-related disruptions such as severe droughts and floods, significantly impacted trade, energy supply chains, and agricultural stability. Global GDP recorded a growth of 3.2%, with advanced economies expanding at 1.8% and emerging markets at 4.2%. Inflation declined steadily from 6.7% in 2023 to 5.8% in 2024 and projected to further decline to 4.3% in 2025, reflecting easing pressures from energy prices and improving global supply chains. Core inflation, which excludes food and energy prices, driven primarily by persistent price increases in services, remains more stubborn, however, eventually converging towards the headline inflation target set in developed economies.[1]

According to the European Bank for Reconstruction and Development (hereinafter referred to as EBRD, CEE region grew by 2.3% in 2024, recovering from weak performance in 2023 (0.2% growth) as inflationary pressures eased and real wages rose, supporting household consumption. Growth is expected to further accelerate to 3.2% in 2025, driven by strong domestic demand, public investment, and improving external conditions. In Southeastern Europe, economic growth demonstrates a steady yet moderate trajectory from 2023 to 2025. In 2023, the region recorded an average growth rate of 2.0%, reflecting a challenging environment of weak industrial production and external demand. Growth in 2024 was expected to remain modest at 1.9%, constrained by continued fiscal pressures and subdued performance in sectors like IT outsourcing, particularly in Romania. By 2025, however, growth is forecast to pick up to 2.6%, supported by stronger domestic demand, improving external conditions, and recovery in key industries.[2]

THE SLOVAK REPUBLIC

The Slovak economy grew by 2.3% in 2024, accelerating from 1.6% in 2023, driven primarily by a robust household consumption fueled by real wage growth, which is anticipated to be the strongest in five years. Investment activity is expected to contribute significantly, supported by the EU's Recovery and Resilience Plan (RRP) and increased military spending. However, growth will moderate slightly to 2.2% in 2025 as higher indirect taxes and regulated price adjustments begin to weigh on household consumption. Inflation in Slovakia is forecast to decline from 10.5% in 2023 to 2.8% in 2024, before rising to 5.4% in 2025 due to tax increases and energy costs. While rising real wages and public investment underpin short-term growth, risks include weak external demand, fiscal consolidation pressures, and renewed inflationary pressures in 2025. In 2026 RRP funds together with revived consumption are to be major economic drivers. In 2027, investment effects of the RRP funds are to fade away and the economy is to be supported by Volvo exports.[3 4]

THE CZECH REPUBLIC

The Czech Republic's economy, which contracted by 0.1% in 2023, recovered modestly with a growth rate of 1.1% in 2024, further accelerating to 2.5% in 2025. Household consumption, a key driver of growth, is expected to rebound as real wages recover, supported by a sharp decline in inflation from 10.7% in 2023 to 2.4% in 2024 and further to forecasted 2.3% in 2025. This easing of price pressures will restore purchasing power, enabling consumers to spend more on goods and services. Real incomes are expected to rise after two years of decline, improving consumer confidence. The unemployment rate, already low at 2.6% in 2024, is forecast to decrease slightly to 2.5% in 2025, ensuring stable income prospects for households. Despite higher indirect taxes planned for 2025, the overall reduction in inflation and stabilization in energy markets will help maintain household spending power. However, risks to consumer optimism remain. Rising costs in regulated energy prices and the introduction of higher VAT rates in 2025 could limit disposable incomes. Additionally, potential supply chain disruptions and structural challenges in the broader European economy could impact consumer goods availability and prices.[5 6]

POLAND

According to the EBRD and the European Commission, Poland's economy is poised for robust growth, with GDP to rise from a modest 0.2% in 2023 to 3.2% in 2024 and further accelerate to 3.8% in 2025. This recovery is driven by strong household

1 International Monetary Fund (IMF): World Economic Outlook, October 2024: Navigating global divergences, published in October 2024, available at the hyperlink: https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024.
2 European Bank for Reconstruction and Development (EBRD) Regional Economic Prospects in EBRD Countries of Operations: September 2024, published in September 2024, 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. 70th meeting of the Committee for Macroeconomic Forecasts, September 2024, available at the hyperlink: https://www.mfsr.sk/sk/financie/institut-financnej-politiky/ekonomicke-prognozy/makroekonomicke-prognozy/70-zasadnutie-vyboru-makroekonomicke-prognozy-september-2024.html.
4 Economic and Monetary Developments Winter 2024, NBS, December 2024, Hyperlink: https://nbs.sk/en/publications/economic-and-monetary-developments/
5 Czech National Bank: Monetary Policy report - Fall 2024, published in October 2024, available at the hyperlink: https://www.cnb.cz/en/monetary-policy/forecast/.
6 Macroeconomic Forecast - Ministry of Finance of Czech Republic, November 2024, available at the hyperlink: https://www.mfcr.cz/en/fiscal-policy/macroeconomic-analysis/macroeconomic-forecast/2024/macroeconomic-forecast-november-2024-57613

consumption, supported by a 12% real wage increase in 2024 due to higher minimum wages and resilient labor demand. Employment remains robust, with unemployment at 2.9%. Inflation is set to moderate sharply, declining from 11.4% in 2023 to 3.9% in 2024 and further to 3.5% in 2025, as energy prices stabilize, and fiscal consolidation measures take effect. Services inflation remains sticky due to elevated labor costs, which continue to drive upward pressure on prices. Key growth drivers include public investment, particularly in defense, expected to reach 4.7% of GDP by 2025.[7, 8]

AUSTRIA

According to the Organization for Economic Co-operation and Development (the OECD) and European Commission, Austria's economy recovered slowly from the recession of 2023, when GDP contracted by 0.7%. Growth was modest at 0.2% in 2024, further accelerating to 1.5% in 2025 as inflation moderates and global economic conditions improve. The decline in inflation, from 7.7% in 2023 to 3.7% in 2024 and further to 2.9% in 2025, will support real household consumption, although price rigidity in services remains a challenge. Key drivers of this recovery include stabilizing energy prices, supportive fiscal measures, and a gradual easing of monetary conditions in the Eurozone. Public investment in green infrastructure and technological innovation, under Austria's Recovery and Resilience Plan, will bolster medium-term growth. However, domestic demand recovery is constrained by lingering high interest rates and weak export performance, particularly in industrial goods.[9, 10]

REGIONAL TOURISM INDUSTRY

The number of international tourist arrivals measured by the methodology of the World Tourism Organization (the UNWTO) expects to reach pre-pandemic levels by the end of 2024. An estimated 1.1 billion tourists travelled internationally between January and September 2024, about 11% more than in the same period of 2023, only 2% fewer than in 2019. Strong tourism receipts, often surpassing pre-pandemic levels, were driven by increased spending per trip. By year-end 2024, global tourist numbers are projected to match 2019 levels, despite ongoing economic and geopolitical challenges. Europe, the world's largest destination region, exceeded the pre-pandemic levels by 1%, supported by robust intra-regional demand. Results were driven by strong post-pandemic demand in Europe and robust performance from large source markets globally, as well as the ongoing recovery of destinations in Asia and the Pacific. Increased air connectivity and visa facilitation also supported international travel.[11]

SLOVAK TOURISM INDUSTRY

Besides the majority of domestic tourists, Slovakia has historically been visited mostly by the population of the neighboring countries. Visitation rates in accommodation facilities of both domestic and foreign visitors have, according to the Statistical Office of Slovak Republic, increased year-over-year, peaking in August 2024 with over 700k visitors overall. More than two thirds of accommodated consisted of domestic tourists, with growth of 6% compared year-over-year. Number of domestic visitors in 2024 decreased by 8% in comparison to year 2019. In summary, from January to October 2024, 5.1 million visitors stayed in accommodation facilities in Slovakia, which was an increase of 2.2% compared to prior year. The number of foreign guests in Slovakia increased by 2.7% over the past 11 months compared to the previous year, and the numbers of domestic tourists grew by 2%.[12]

EUROPEAN MOUNTAIN INDUSTRY

Europe is the relevant market for TMR's ski business, especially the CEE region. The biggest skiing destinations in Europe are located within the alpine countries - Austria, France, Switzerland, Slovenia, and Italy. Worldwide, the Alps capture the greatest market share, accounting for 39% of skier visits (skier days).[13] The second most significant is North America with 24%. Central and Eastern Europe accounts for only 11% of global skier participation, aligning with its contribution of 11% to the global production of skiers by origin. Over the past two decades, global skier visitation rate has remained relatively stable, with fluctuations primarily driven by weather and snow conditions, as well as the impact of the COVID-19 pandemic. Demographically, the anticipated decline in the number of skiers from Western countries has not materialized as expected, with older skiers continuing to participate, albeit less frequently. However, the long-term outlook still predicts a downward trend as Baby Boomers gradually reduce their skiing activity. Among alpine countries, France and Austria have the most major resorts (with over 1 million skier visits) - 13 and 15, each respectively, and Austria with the highest number of skier visits per year[14] - over 43 million whereas Switzerland

7 European Bank for Reconstruction and Development (EBRD): Regional Economic Prospects in EBRD Countries of Operations: September 2024, published in November 2024, available at the hyperlink: https://www.ebrd.com/what-we-do/economic-research-and-data/rep.html.
8 Economic forecast for Poland, European Commission, November 2024, Hyperlink: https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/poland/economic-forecast-poland_en
9 OECD Economic Outlook: Economic Outlook Note - Austria: July 2024 Published July 2024, available at the hyperlink: https://www.oecd.org/en/publications/oecd-economic-surveys-austria-2024_60ea1561-en.html/.
10 Economic forecast for Austria, European Commission, November 2024, Hyperlink: https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/austria/economic-forecast-austria_en
11 UNWTO World Tourism Barometer and Statistical Annex, November 2024, available at the hyperlink: https://www.e-unwto.org/doi/abs/10.18111/wtobarometereng.2024.22.1.4
12 Statistical Office of the Slovak Republic. Development of tourism in accommodation establishments in the SR in November 2024, available at the hyperlink: https://slovak.statistics.sk/wps/portal/ext/products/informationmessages
13 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.
14 Vanat, L., (2024), 2024 International Report on Snow & Mountain Tourism: 16th Edition, Geneva: Laurent Vanat Consulting SARL

produces the highest rate of domestic skiers- 35%, with Germany having the highest total number of domestic skiers- 14.6 million.[15] 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 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 particularly is concentrated with a major operator. German resorts are also fragmented but considerably smaller than in other alpine countries.[16] 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 64 have more than five lifts and majority have limited infrastructure. Russia is followed by the Czech Republic with 191, Poland with 171 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's had, for the past five years on average, the highest number of skier visits of 10.3 million during the winter season, followed by Poland with 5.5 million, Czech Republic with 4.4 million and Slovakia with 3.6 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 - 4.9 million, which makes 13.6% of the total population. 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 compared to 979k in Slovakia. 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.[17]

The regional mountain industry exhibits room to grow, in comparison 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 a cooperation of mountain resort operators. District tourism organizations in Slovakia, for example, work 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 activities.

SLOVAK MOUNTAIN TOURISM

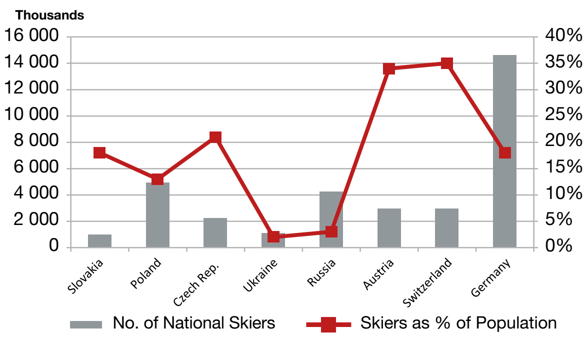
In the Slovak mountain tourism market, TMR is clearly a leader in terms of the number of resorts, ski lifts, transportation capacity, km of ski trails, and lifts elevation. Mountain resorts in Slovakia are mostly operated by small private operators in cooperation with local municipalities and national parks. There are around 100 ski areas in Slovakia, yielding around 47 noteworthy ski resorts (3*, 4*, and 5* quality). 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 Skipark Kubínska Hoľa (14km), Vrátna free time zone (13km), and Winter Park Martinky (13km).[18]

15 Ibidem
16 Ibidem
17 Ibidem
18 skiresort.info, resort websites

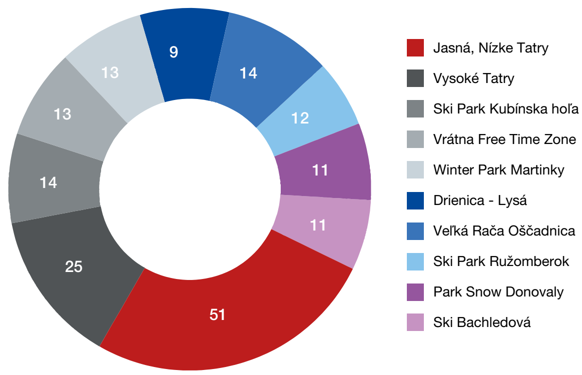
Mountain Tourism - Country Comparison[19]

Country	No. of Ski areas	No. of areas > 5 lifts	Number of major resorts (>1 mil Skier Visits)	Skier visits	Proportion of domestic skiers (in % of population)	Number of domestic skiers	Proportion of foreign skiers (%)
Alpine countries				**133 206 089**			
Austria	253	200	15	40 860 000	34%	3 038 184	66%
France	325	199	13	40 674 176	13%	8 573 709	27%
Italy	349	216	7	22 257 941	12%	7 062 822	35%
Switzerland	176	83	7	22 574 246	34%	2 958 530	35%
Slovenia	46	14	0	1 126 026	14%	304 975	17%
Germany	675	54	-	5 638 970	17%	14 606 508	10%
United States	480	202	6	59 101 621	8%	25 016 817	3%
CEE Region				25 226 458			
Czech Republic	191	53	0	**4 375 934**	21%	2 235 843	30%
Ukraine	54	9	0	1 400 000	2%	944 534	5%
Poland	171	43	0	5 539 076	13%	4 936 859	15%
Russia	354	64	0	10 297 180	3%	4 306 672	5%
Slovakia	107	39	0	3 614 268	18%	979 181	25%

Skiers by Country



Km of Trails of Leading Ski Resorts in Slovakia



19 Ibidem.

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. Austria 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 numbers of skier days - more than 40 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 renewable energy sources and aiming to get closer to their climate-friendly goals. 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.[20]

TMR'S HOTEL MARKET

TMR's hotels are strategically located within its mountain resorts, golf resort, and water parks, Tatralandia and Bešeňová. The majority of visitors to these resorts utilize TMR's accommodations, positioning TMR hotels in direct competition with other lodging providers in and around the resort areas. During the winter season, hotel performance is particularly influenced by the operational success of the mountain resorts. At Tatralandia water park, TMR enjoys a monopoly as the sole lodging provider. However, in the mountain resorts, TMR faces competition from private operators managing a variety of accommodations, including hotels, inns, bed & breakfasts, apartments, and cottages. In the Czech golf resorts, the two leased golf hotels benefit from a unique competitive advantage, as they are the only accommodations within their respective resorts, encouraging visitors to stay on-site. TMR hotels span a range of categories, from 2-star to 4-star accommodations, with greater competition in the lower-tier segment compared to the upscale market. A key trend in the resort lodging industry is the collaboration between accommodation providers and mountain resort operators to offer attractively priced bundled packages, which appeal to a broader client base. Despite competition, the hotel market within TMR's resorts remains unsaturated, driven by substantial capital investments by TMR in recent years and the increasing appeal of the resorts to new investors.

REGIONAL TRENDS IN WATER PARKS

Slovakia boasts approximately 30 water parks and thermal spas, with Tatralandia and Bešeňová standing out as two of the top three in terms of size, visitor numbers, and service quality. Visitor attendance is primarily driven by the diversity and caliber of services offered. The aquapark sector is experiencing a rising influx of affluent clientele who are willing to spend more on premium experiences and demand high-quality, tailored, and regularly updated services-a trend supported by TMR's loyalty program, Gopass. A notable shift in demographics is the resurgence of Slovak visitors, now forming the majority, unlike the period before 2009 when Polish tourists dominated. Additionally, there is a growing appeal among families with children, who increasingly seek a broad array of activities alongside water-based attractions. This demand for quality services necessitates skilled personnel, creating financial strain on operators, especially given the seasonal and weekend-focused nature of aquaparks. Operators, particularly TMR, are addressing these challenges through automation and by redeploying winter staff from mountain resorts during the summer season. Investment in park development remains a critical trend, particularly the expansion of all-year attractions, which offer a significant competitive edge by mitigating reliance on weather conditions.[21] [22] However, competition is strong in neighboring regions, particularly near Slovakia's borders, with five aquaparks in Poland, nine in the Czech Republic, and seven in Hungary posing direct competition.

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 6 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.

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20 Vanat, L., (2024), 2024 International Report on Snow & Mountain Tourism: 16th Edition, Geneva: Laurent Vanat Consulting SARL
21 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
22 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/.

REGIONAL TRENDS IN GOLF RESORTS

In the Czech Republic, where TMR manages one golf resort, there are approximately 100 golf facilities, with Golf & Ski Resort Ostravice ranked among the top 10.[23] Neighboring Slovakia features over 20 golf resorts, while Austria boasts 55. Key trends in the regional golf industry emphasize the integration of technology, as a strong online presence, efficient reservation systems, and visibility on rating platforms have become indispensable for golf resort operators. Effective promotion is crucial, leading resorts to host professional tournaments and offer a range of complementary services. Visitors increasingly prioritize high-quality accommodations and dining options as integral parts of their experience. Access to convenient tee times also plays a critical role in players' decision-making. Furthermore, demand for golf-related travel continues to rise, with half of European golfers organizing trips independently and the other half relying on travel agencies, particularly among older players.[24]

REGIONAL TRENDS IN THE REAL ESTATE MARKET

The performance of the regional real estate market is influenced by the stability of demand, which is shaped by macroeconomic trends, job market dynamics, supply levels, income growth, and access to bank financing. In 2024, the Slovak real estate market demonstrated relative stability, with moderate price increases fueled by strong consumer demand for both new properties and rental listings. In the fourth quarter of 2024, this gradual upward trend accelerated, culminating in a significant price spike across Slovakia. This surge was primarily driven by decreasing mortgage interest rates and an increase in market supply. Additionally, consumer behavior was influenced by efforts to capitalize on the end-of-year period ahead of the implementation of a higher VAT rate, which indirectly impacted the real estate market.[25]

In recent years, the recreational real estate market in the Jasná resort has experienced significant growth, marked by the completion of several major projects. Most notably, a new five-star hotel and residential complex in Jasná has been completed, catering to a more affluent clientele.[26] Furthermore, the Central Jasná Resort, a development under the TMR brand, is currently under construction and is projected for completion in 2028. In the High Tatras, specifically in Tatranská Lomnica, a project for the Sasanka Apartment House is in preparation. [27]

23 nagolf.eu, forbes.cz
24 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
25 Reversal in the Real Estate market, prices are spiking throughout Slovakia, two regions are the only exemption, https://www.forbes.sk/zvrat-na-realitnom-trhu-ceny-zacali-na-priec-slovenskom-vyrazne-rast-vynimkou-su-dva-regiony/?srsltid=AfmBOoqqJGyyCXAMZInI88VzzVgHg4acqGqBPVRivOuJlaeuik8M1vJq
26 The website of the hotel Swissotel Damian Jasná. Available at: https://www.damianjasna.sk/.
27 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 resort operates the golf courses from spring to fall, where the Ostravice resort 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 the snowmaking, since freezing temperatures are

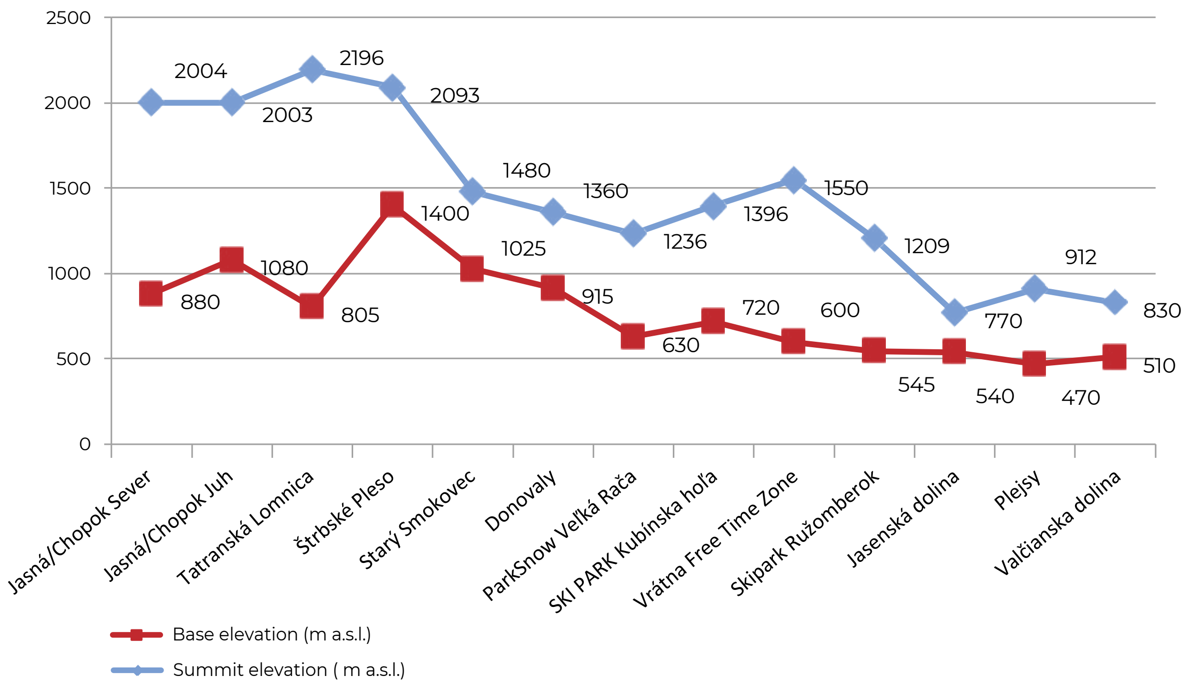
1 A 10-year average on the peak of the Jasná and Vysoké Tatry - Tatranská Lomnica a Štrbské Pleso resorts.
Source: www.onthesnow.sk

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 2023/24 consisted mostly of short- and long-term bank loans with fixed and variable rates based on 3-month, 6-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 loans, Group used bonds issued in past to finance its operations with payment of regular fixed coupon which is in no way correlated to any variable rates. During fiscal year 2023/24 Group undertook debt refinancing which eliminates any risks connected to issued Bonds and coupons thereof. 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. 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 can 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. The risk of insufficient liquidity for the Group may also be heightened due to a potential increase in the EURIBOR rate in the future, which would raise the Group's debt service costs on external bank loans. The extent of the risk exposure is detailed in Consolidated Financial Statements.

BONDS AND THE DEBT-TO-EQUITY RATIO

As of the end of the reported period TMR has bonds issued in only one tranche, for which a buyback by the Group has been undertaken. The capital structure has been strengthened through an increase in equity and refinancing, which has secured more favorable financing conditions. Despite these measures, there remains a risk that TMR could face challenges in securing external financing for further development of its resorts and potential new acquisitions in the future. The company's ability to finance its growth plans will depend on financial market conditions and investors' willingness to provide additional capital. If access to financing becomes limited or loan terms become less favorable, the pace of growth could slow down, negatively impacting the Group's operations, market position, sales, and overall financial performance. For more details, see the 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 9.8% to EUR 206.852 mil. (188.379)
- Consolidated operating profit before interest, tax, depreciation and amortization (EBITDA) amounted to EUR 57.662 mil. (59.366)
- TMR operated with EBITDA margin of 27.9% (31.5)
- Net consolidated loss amounted to EUR -1.421 mil. (-0.548)
- Net consolidated earnings per share amounted to EUR -0.205 (-0.074)
- The number of visitors to Mountain Resorts increased to 3.008 mil. (2.975); Leisure Parks recorded 1.810 mil. (1.780) visitors

Selected Consolidated Audited Results (IFRS)		
in €'000	2023/24	2022/23
Revenue	206 852	188 379
Total Revenues	**206 852**	**188 379**
Consumption of Material and Goods	(25 330)	(24 687)
Personnel and Operating Costs	(122 862)	(107 933)
Other Gain / (Loss)	(998)	3 607
Profit / (loss) before interest, taxes, depreciation and amortization (EBITDA)	**57 662**	**59 366**
EBITDA margin	27,9%	31,5%
Depreciation & Amortization	(23 243)	(25 637)
Depreciation of right-of-use assets	(5 534)	(5 844)
Impairment of Property, plant and equipment and Right-of-use assets	7 091	(4 528)
Profit / (loss) before interest, taxes (EBIT)	**35 976**	**23 357**
Interest income calculated using effective interest rate	1 886	238
Financing cost	(33 129)	(27 574)
Net profit / (loss) on financial operations	1 077	6 889
Profit / (loss) from disposal of subsidiaries	(920)	-
Share of profit / (loss) on equity-accounted investees	(484)	(355)
Profit / (loss) before tax	**4 406**	**2 555**
Current income tax	(1 052)	(1 919)
Deferred income tax	(4 775)	(1 184)
Profit / (loss) for the period	**(1 421)**	**(548)**
Net profit margin	-0,69%	-0,29%
Total comprehensive income / (expense)	**(2 980)**	**(1 094)**
Attributable to:		
Holders of interest in the parent company's equity (Shareholders)	(3 158)	(1 040)
EPS (€)	**(0,205)**	**(0,074)**

FINANCIAL PERFORMANCE

REVENUES

The Group's total consolidated revenues for the past financial year increased by almost 9.8% to EUR 206.852 mil. (188.379). The positive impact on revenue was mainly due to higher visitor numbers compared to the previous financial year, as well as an increase in the average price through effective management of ski pass prices.

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

Another TMR's key financial performance indicator – EBITDA – amounted to EUR 57.662 mil. (59.366); which represents an 2.9% decrease result compared to the previous financial year. The decrease is caused mainly by an increase in personnel costs as well as due to the recognition of impairment of financial assets. Consumption of materials increased by 2.6%; personnel and operating costs were increased by 13.8% 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 27.9% (31.5).

DEPRECIATION AND AMORTIZATION, IMPAIRMENT LOSS

The depreciation and amortization costs slightly decreased to EUR 23.243 mil. (25.637) primarily due to the extension of the estimated useful life of individual fixed assets. Depreciation of the carrying amounts of property, plant and equipment acquired through leasing amounted to 5.534 mil. EUR (5.844). For more information on provisions for fixed assets see Consolidated Financial Statements, Notes 14, 15, 16.

FINANCIAL ACTIVITY

Interest income of EUR 1.886 mil. (0.238) mainly stemmed from loans granted, earning fixed interest rates. Interest expense rose by 20.1% to EUR 33.129 mil. (27.574); 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 -1.421 mil. (-0.548). Loss attributable to owners of the parent company amounted to EUR -1.649 mil. (-0.497). EPS reached EUR -0.205 (-0.074). Total comprehensive income after accounting for foreign currency translation reserve and loss on cash flow hedging amounted to EUR -2.980 mil. (-1.094). The parent company reported a net profit of EUR 9.132 mil. (2.712).

RESULTS BY SEGMENTS

Key Operating Results	Revenues			EBITDA			EBITDA Margin		
in €'000	FY 2023/24	FY 2022/23	Change yoy (%)	FY 2023/24	FY 2022/23	Change yoy (%)	FY 2023/24	FY 2022/23	Change yoy (p.p.)
Mountain Resorts	78 715	70 832	11,1%	32 069	29 933	7,1%	40,7%	42,3%	-1,5%
Leisure Parks	26 209	23 344	12,3%	10 059	9 374	7,3%	38,4%	40,2%	-1,8%
Golf	780	855	-8,8%	287	(81)	454,3%	36,8%	-9,5%	46,3%
Dining	29 908	27 474	8,9%	5 591	5 701	-1,9%	18,7%	20,8%	-2,1%
Sports Services & Stores	7 881	6 724	17,2%	1 605	1 365	17,6%	20,4%	20,3%	0,1%
Hotels	62 457	55 962	11,6%	8 378	11 958	-29,9%	13,4%	21,4%	-8,0%
Real Estate	902	3 188	-71,7%	(327)	1 116	-129,3%	-36,2%	35,0%	-71,2%
Total	**206 852**	**188 379**	**9,8%**	**57 662**	**59 366**	**-2,9%**	**27,9%**	**31,5%**	**-3,6%**

RESULTS BY RESORTS

Country	Resort	Revenue			EBITDA			EBITDA margin		
		FY 2023/24	FY 2022/23	Change yoy (%)	FY 2023/24	FY 2022/23	Change yoy (%)	FY 2023/24	FY 2022/23	Change yoy (p.p.)
SK	Jasná	57 555	53 254	8,1%	17 664	18 640	-5,2%	30,7%	35,0%	-4,3%
SK	High Tatras	52 693	48 070	9,6%	19 388	17 168	12,9%	36,8%	35,7%	1,1%
SK	Bešeňová	34 241	27 603	24,0%	8 591	8 178	5,0%	25,1%	29,6%	-4,5%
SK	Tatralandia	23 374	23 822	-1,9%	8 007	8 668	-7,6%	34,3%	36,4%	-2,1%
Slovakia - Total		**167 863**	**152 749**	**9,9%**	**53 650**	**52 654**	**1,9%**	**32,0%**	**34,5%**	**-2,5%**
PL	Szczyrk	12 386	10 951	13,1%	2 783	3 941	-29,4%	22,5%	36,0%	-13,5%
PL	Legendia	6 835	6 447	6,0%	602	1 365	-55,9%	8,8%	21,2%	-12,4%
Poland - Total		**19 221**	**17 398**	**10,5%**	**3 385**	**5 306**	**-36,2%**	**17,6%**	**30,5%**	**-12,9%**
CZ	Ještěd	2 554	2 793	-8,6%	45	632	-92,9%	1,8%	22,6%	-20,9%
CZ	Kaskáda	1 697	1 988	-14,6%	114	-78	245,8%	6,7%	-3,9%	10,7%
CZ	Ostravice	2 228	2 206	1,0%	430	-63	784,4%	19,3%	-2,8%	22,2%
CZ	Other: Špindleruv Mlýn Management fee	234	416	-43,8%	234	381	-38,6%	100,0%	91,6%	8,4%
Czech Republic - Total		**6 713**	**7 403**	**-9,3%**	**823**	**872**	**-5,6%**	**12,3%**	**11,8%**	**0,5%**
AT	Mölltaler Gletscher & Ankogel	8 577	7 059	21,5%	-136	25	-645,8%	-1,6%	0,4%	-1,9%
AT	Muttereralm	4 451	3 770	18,1%	-59	508	-111,6%	-1,3%	13,5%	-14,8%
Austria - Total		**13 028**	**10 829**	**20,3%**	**-195**	**533**	**-136,6%**	**-1,5%**	**4,9%**	**-6,4%**
	Total	**206 825**	**188 379**	**9,8%**	**57 662**	**59 366**	**-2,9%**	**27,9%**	**31,5%**	**-3,6%**

KEY PERFORMANCE INDICATORS (KPIS)

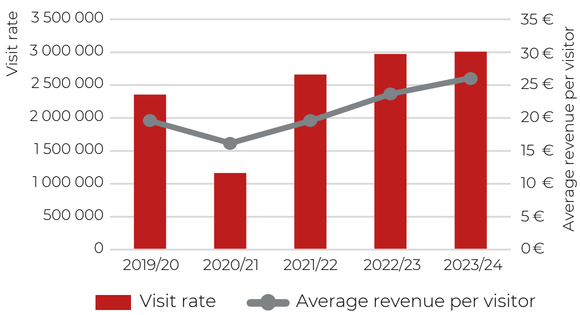
The visit rate in the Mountain Resorts segment in 2023/24 increased year-over-year by 1.1% to 3.008 mil. (2.975) visitors/ skier days[1], whilst it includes skier days from the Austrian resorts of Mölltaler Gletscher, Ankogel and Muttereralm from Czech resort Jested and polish ski resort Szczyrk. On the like-for-like comparative basis (excluding Czech and Polish ski resorts) the visit rate increased by 2.11%. This positive result is attributable mainly to a significant increase in visit rate of Austrian ski resorts Mölltaler Gletscher and Ankogel. Average revenue per visitor per day increased by 9.9% to EUR 26.01 (23.67).

Leisure Parks reported an 1.66% rise in the visit rate to 1.810 mil. (1.780). The increase in the number of visitors is foremost a result of investments in attractions, schedules of theme events throughout a year and improved marketing strategy. The average revenue per visitor also rose, by 10.46% to EUR 14.49 (13.11).

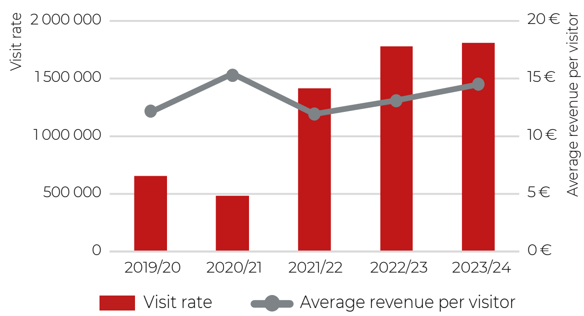
The resort clients spent more in dining facilities on and off the slopes and in the leisure parks. Average dining revenues thus increased by 7.44% to EUR 6.21 (5.78). Sports Services & Stores, which largely depend on performance of the resorts, reported average revenues per visitor make up 15.68% to EUR 1.64 (1.41).[2]

The weighted average occupancy of the TMR hotel portfolio increased by 0.6 percentage points to 58.8% (59.4). The weighted average daily room rate (ADR) increased by 4.3% to EUR 117.02 (112.17).

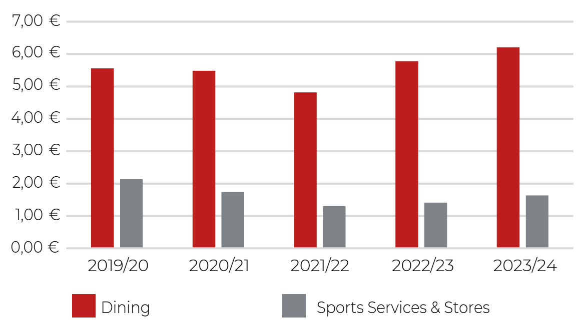
Mountain Resorts' KPIs



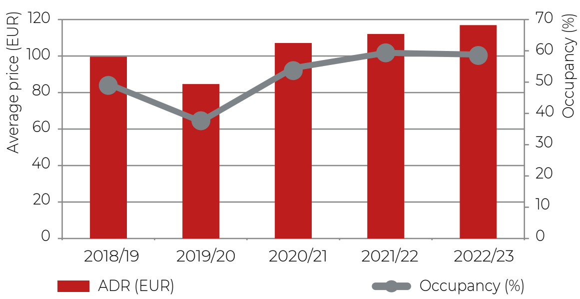
Leisure Parks' KPIs



Average revenue per visitor in selected segments



KPIs of Hotel Portfolio



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.

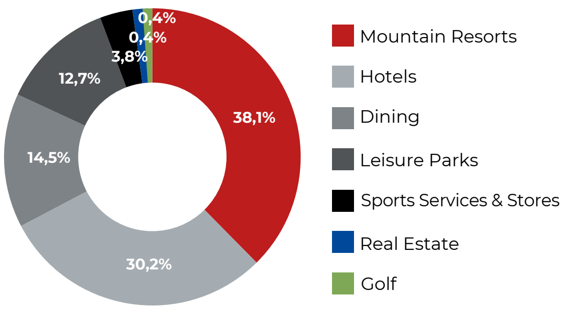
FINANCIAL OPERATING RESULTS[3]

MOUNTAIN RESORTS

Revenues of the largest segment, Mountain Resorts, make up 38.0% (37.6) 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 a 11.1% increase in revenue of Mountain Resorts to EUR 78.715 mil. (70.832).

The Mountain Resorts' EBITDA increased year-over-year to EUR 32.069 mil. (29.933), reaching operating profitability of 40,7% (42.3).

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 12.7% (12.4) of total revenues. In the financial year 2023/2024 revenues increased by 12.3% to EUR 26.209 mil. (23.344). The increase was caused partially by a rise in the visit rate in Aquaparks Tatralandia and Bešeňová but mainly due to a rise in the average ticket prices in Bešeňová and Legendia. EBITDA rose by 7.3% to EUR 10.059 mil. (9.374). Operating profitability of Leisure Parks increased to 38.4% (40.2).

GOLF

Revenues of the newest Golf segment come from the operation of a leased Czech golf resort namely Golf & Ski Resort Ostravice, specifically from green fees, membership and coach fees, green card fees, and from golf cart rental. The segment revenues declined by 8.8% and reached the amount of EUR 780 ths. (855). This decrease in revenues of the golf segment in a year-over-year comparison is mainly caused by a termination of an operation of golf section within the Golf Resort Kaskáda. The operating performance indicator, EBITDA, amounted to EUR 287 ths. (-81).

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 14.5% (14.5) of total revenues. Total revenues reached EUR 29.907 mil. (27.474), or a 8.9% increase. The segment's operating profitability reached 18.7% (20.8), whereas EBITDA decreased to EUR 5.591 mil. (5.701). 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 3.8% (3.6) share in total revenues. The segment's revenues grew by 17.2% to EUR 7.881 mil. (6.724). The operating performance, EBITDA, increased to EUR 1.605 mil. (1.365) and the segment's operating profitability reached 20.4% (20.3).

HOTELS

The Group's second largest segment is Hotels, revenues of which for the reported period made up a 30.2% (29.7) share in total revenues. Due to better situation compared to previous financial year and higher occupancy, the segment reported an 11.6% increase in revenues to EUR 62.457 mil. (55.962). EBITDA declined to EUR 8.378 mil. (11.958) with the corresponding EBITDA margin of 13.4% (21.4). The decrease is due to the creation of a provision for a receivable amounting to EUR 1.9 mil., which is related to the Energetik guesthouse in the Jasná resort.

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.

REAL ESTATE

The last year's revenues of the Real Estate segment come from the lease Kosodrevina Lodge, Solisko Lodge and BIVAC Club to third parties. The segment's revenues in the past financial year made up 0.4% (1.7) of total revenues and they amounted to EUR 0.902 mil. (3.188). EBITDA significantly decreased to EUR -0.327 mil. (1.116).

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


NORTH
LEITNER

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 2023/24 the Group operated with liquid assets in the amount of EUR 40.561 mil. (17.727) in the form of cash and cash equivalents. This increase was primarily due to higher revenues, particularly in Slovak resorts, and financial operations, such as the increase in share capital and the refinancing of the Company's debt.

BORROWINGS

The Group's total debt as of October 31, 2024, reached EUR 277.213 mil. (379.146), representing a significant decrease due to recapitalization and changes in the financing structure. The Group increased its share capital through the issuance of new shares and refinanced its debt through bank financing. In October 2024, the Group signed a comprehensive financing package, which includes a senior loan of EUR 180 mil. from a consortium of leading Slovak, Czech, and Polish banks, and a junior loan of EUR 110 mil. from J&T BANKA. These funds were used to fully repay issued bonds, thus transitioning the Group entirely to bank financing. The total debt ratio at the end of the period reached 65.1% (92.2%), while the total debt-to-EBITDA ratio was 4.8 (6.4). The Group actively manages its debt with the aim of maintaining a stable financial position and supporting long-term growth. (See Consolidated Financial Statements, Note 27).

TOTAL ASSETS

The carrying value of total assets as of October 31, 2024, increased to EUR 608.106 mil. (579.634). The value of current assets grew to EUR 73.287 mil. (43.690), mainly due to an increase in liquid assets following the increase in share capital and refinancing of debt. Conversely, the value of non-current assets slightly decreased to EUR 534.819 mil. (535.944), mainly due to a reduction in investments in joint and associated ventures. The value of tangible assets at the end of the period amounted to EUR 483.777 mil. (480.247). The key completed investments transferred to fixed assets included the acquisition of land in the High Tatras and the improvement of snowmaking in this location. A pool hall was built, hotel rooms were renovated, and the conference center at the Kaskáda resort was modernized. The Mölltaler and Ankogel resorts were upgraded, and the Group also acquired new real estate in the Szczyrk and High Tatras resorts. (See Consolidated Financial Statements, Notes 14-17).

Financial Position in €'000	October 31	
	2024	2023
Total Assets	608 106	579 634
Non-current Assets	534 819	535 944
Non-current Fixed Assets	482 494	480 247
Other Non-current Assets	52 325	55 697
Current Assets	73 287	43 690
Liquid Assets	40 561	17 727
Equity	148 864	31 896
Liabilities	459 242	547 738
Non-current Liabillities	375 442	380 270
Current Liabilities	83 800	167 468
Total Debt	277 213	379 146

EQUITY

The book value of shareholders’ equity amounted to EUR 148.864 mil. (31.896), whilst retained earnings and other funds totaled EUR -45.089 mil. (-43.338). Non-controlling interest amounted to EUR -166 ths. (-700).

CAPEX

In the past fiscal year, the Group implemented several investment projects with a total value of EUR 19 mil. Significant investments included the continuation of the construction of the Centrum Jasná complex, the acquisition of land in the High Tatras, the improvement of snowmaking in the High Tatras, development in IT infrastructure, the renovation of the pool hall, and other smaller investments in Slovak resorts. In Poland, the Group invested in the renewal of the Szczyrk resort, developed the existing bike park, and also made various operational investments in the Legendia resort. At the Kaskáda resort, hotel rooms and conference center equipment were renovated, while minor operational investments were made in the Ještěd and Ostravice resorts. In Austrian resorts, investments focused on equipment upgrades – the Mölltaler and Ankogel resorts received modernized facilities, and the Muttereralm resort saw investments in both equipment and access system improvements. The Group also expanded its real estate portfolio by acquiring Villa Gronie in the Szczyrk resort and Hotel Sasanka in the High Tatras.

ACQUISITIONS

The Group acquired the property Hotel Sasanka in Tatranská Lomnica for EUR 4.390 mil. by purchasing 100% shares in the company FORESPO HOREC A SASANKA a.s. It also expanded its portfolio with the Villa Gronie property in Szczyrk, valued at EUR 1.026 mil., by purchasing 100% shares in the company GOPASS Property PL Sp. z o. o.

As part of the Group‘s development, several new companies were established during the year. On December 15, 2023, GOPASS Property a.s. was founded, with GOPASS SE becoming its 100% owner. Subsequently, on March 7, 2024, GOPASS Property SK, s.r.o. was established, which is 100% owned by GOPASS Property a.s. Additionally, by the end of the year, an 85% stake in GOPASS Property a.s. was sold, and as part of the transaction, GOPASS Property SK, s.r.o. and GOPASS Property PL Sp. z o.o. were deconsolidated from the group. On June 26, 2024, the company Ankogel Bergbahnen BE GmbH was established, with Mölltaler Gletscherbahnen GmbH & Co KG being the sole owner. On August 6, 2024, the company CENTRAL JASNÁ Property, a.s. was established, fully owned by the Group.

During the financial period ending October 31, 2024, the Group also increased its stake in the subsidiary Szczyrkowski Ośrodek Narciarski S.A., with the current shareholding as of October 31, 2024, reaching 98.6%.

CASH FLOW

Cash flow generated from operating activities reached EUR 63.447 mil. (61.429). Cash flows assigned for investment activity reached EUR -18.001 mil. (-19.083), whilst cash flow for acquisition of property amounted to EUR -19.010 mil. (-22.654). The Company recorded cash flows generated from financing

Cash Flows in €‘000	**November 1 - October 31**	
	2023/24	**2022/23**
Cash Flow from Operating Activities	63 447	61 429
Cash Flow from Investing Activities	(18 001)	(19 083)
Cash Flow from Financing Activities	(22 605)	(40 219)
Net increase / (decrease) of cash and cash equivalents	22 841	2 127

activities in the amount of EUR -22.605 mil. (-40.219).

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.

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.


PRIVAT

CORPORATE SOCIAL RESPONSIBILITY

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

TMR 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 2023/24

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.

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 261 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 13th year of the event took place. Planting also took place in the High Tatras region. This event has its followers in other resorts operated by TMR as well. Green Ještěd and Green Špindl in the Czech Republic as well as Green Szczyrk in Poland help resorts to clean up the trails and slopes after winter and prepare them for the summer season.

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, 2023 and 2024 TMR supported 34 projects in the total amount of EUR 80 thousand. Thanks to this grant it was possible to purchase special gymnastic equipment for ZUŠ Tatranská Lomnica as well as to support the purchase of cross-country skiing sets for kindergarten in the High Tatras. 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 2023/24 totaled 1527 (1456 in 2022/23). In the reported period the Group was using services of human resource agencies in hiring short term employees. In 2023/24 702 employees were hired this way (746 in 2022/23). 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 56% men and 44% women.

In 2023/24 the Group published 385 job offers and recorded 4,264 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. During 2024 TMR established a cooperation with nationals of third-world countries namely Philippines and Thailand based on national visa program. To this date, there are 11 employees from Philippines and 3 from Thailand working for TMR. In this period, there were 28 employees with Ukraine immigration status employed by TMR.

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 2023/24 there were 120 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 43 foreign full-time students of the university working part-time for TMR during the school year 2023/24.

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


GOLF
CLUB
OSTRAVICE
Titleist
1

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 of 18 June 2020 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 Act"), which includes the classification of economic activities that significantly contribute to climate change mitigation and/or adaptation to climate change. Economic activities falling under this delegated regulation are to be assessed not only for their eligibility but also for their alignment with the EU Taxonomy, i.e., the appropriate technical screening criteria are considered,

- 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 Act") 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,

- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 ("Environmental Delegated Act"), which includes the classification of economic activities that significantly contribute to at least one of the remaining environmental objectives of the Taxonomy: pollution, water and marine resources, biodiversity, and ecosystems, and/or the circular economy,

- Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.

For the fiscal year ending October 31, 2023, the eligibility of the Group's economic activities (i.e., the proportion of eligible and/or ineligible economic activities in total turnover, capital expenditures, and operating expenditures) was reported, as well as alignment with the Taxonomy (i.e., the appropriate technical criteria for assessment were also considered) for the first and second environmental objective (climate change mitigation and climate change adaptation).

For the fiscal year ending October 31, 2024, the economic activities are assessed for their eligibility and/or alignment with the EU Taxonomy for all six environmental objectives (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems).

EU TAXONOMY CRITERIA

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 framework, the following are distinguished:

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

In preparing the disclosure, all economic activities carried out by the Group were reviewed to identify Taxonomy-eligible and Taxonomy-aligned economic activities, in accordance with Annexes I and II of the Climate Delegated Act, the Complementary Climate Delegated Act, and Annexes I, II, III, and IV of the Environmental Delegated Act.

In the table of Taxonomy-eligible disclosed activities, we provide a list of those economic activities assessed as eligible according to the EU Taxonomy. The degree of Taxonomy-alignment of these economic activities, along with their contribution to the relevant environmental objectives, is detailed in the tables for each key performance indicators (KPI). In general, the Group generates turnover from its reported economic activities and incurs the related capital expenditure and operating expenditure.

The Group prepares the assessment report for the disclosure of Taxonomy-eligible economic activities for the consolidated unit.

1. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES OF THE GROUP

A Taxonomy-eligible economic activity (hereinafter referred to as an "eligible economic activity") is an economic activity described in the Delegated Acts, regardless of whether it meets some or all of the technical screening criteria set out in these regulations.

The Group primarily operates in the fields of tourism, hospitality, and recreation. As of January 1, 2024, the Environmental Delegated Act came into effect. Since this Delegated Act includes selected activities related to tourism, we were able to assess the eligibility and alignment of our core activities in accordance with the EU Taxonomy requirements for the environmental objective of protecting and restoring biodiversity and ecosystems. This assessment was not possible in the previous fiscal year of 2023. In addition, we evaluated our secondary activities, which are naturally related to our company's main focus and are included in the Climate Delegated Act.

Among the Taxonomy-eligible economic activities of the Group, we list the following activities:

ENVIRONMENTAL OBJECTIVE: PROTECTION OF BIODIVERSITY AND ECOSYSTEMS

2. Accommodation activities
2.1 Hotels, holiday, camping grounds and similar accommodation

ENVIRONMENTAL OBJECTIVE: CLIMATE CHANGE MITIGATION

4. Energy
4.16 Installation and operation of electric heat pumps
4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels
5. Water supply, sewerage, waste management and remediation
5.4 Renewal of waste water collection and treatment
6. Transport
6.4 Operation of personal mobility devices, cycle logistics
6.5 Transport by motorcycles, passenger cars and light commercial vehicles
7. Construction and real estate activities
7.3 Installation, maintenance and repair of energy efficiency equipment
7.7 Acquisition and ownership of buildings

ENVIRONMENTAL OBJECTIVE: CLIMATE CHANGE ADAPTATION

14. Disaster Risk Management
14.2 Flood risk prevention and protection infrastructure

In the fiscal year ending October 31, 2024, the Group identified eleven eligible economic activities, with activity 2.1 Hotels, holiday, camping grounds and similar accommodation representing one of the three main activities of the Group (along with the operation of ski resorts and water parks) in terms of turnover, capital expenditures, and operating expenditures.

Compared to the previous fiscal year 2023, the Group excluded the economic activity 4.9 Transmission and distribution of electricity from its EU Taxonomy disclosure, as the Group's activities primarily cover the production and supply of electricity and heat through natural gas cogeneration units. Produced heat and electricity are consumed at the water park in Bešeňová, but the cogeneration units are also readily available to supply electricity for grid balancing to the SEPS transmission system, who also owns the relevant transmission networks. As a result, revenue is regularly generated from electricity sales, making economic activity 4.30 High-efficiency co-generation heat/cooling and power generation from fossil gaseous fuels material for the Group.

Economic activity 5.4 Renewal of waste water collection and treatment includes repairs of a wastewater treatment plant at Skalnaté pleso and improvements to the treatment technologies at Chopok – South. This activity is insignificant for this year, as most of these activities will be carried out only in the fiscal year ending October 31, 2025. Due to the construction and operation of bicycle parks, a new eligible activity for this year is 6.4 Operation of personal mobility devices, cycle logistics, however it is immaterial. The Group also renewed its fleet through vehicle leasing, which includes one electric car and several hybrids, making economic activity 6.5 Transport by motorcycles, passenger cars, and light commercial vehicles eligible as well, yet still immaterial.

In Poland, investments were made in building repairs, including the replacement of windows; however, capital expenditures related to economic activity 7.3 Installation, maintenance and repair of energy efficiency equipment were deemed immaterial. Similarly, air conditioning units were replaced in the Czech Republic as part of this activity, but their value was also immaterial. Additionally, the Group acquired shares in a company operating a hotel in Tatranská Lomnica, which is, however, leased to a third party. The revenue from the rental of this building in the fiscal year ending October 31, 2024, falling under economic activity 7.7 Acquisition and ownership of buildings, was considered immaterial.

Due to the requirement for consistency and accuracy, some indicators from the previous fiscal year 2023 were reclassified from activity 7.1 Construction of new buildings to economic activity 7.7 Acquisition and ownership of buildings, because the Group did not sell the cable car building at Biela Púť to a third party but retained its ownership. In the fiscal year ending October 31, 2024, no indicators will be reported under activity 7.7 Acquisition and ownership of buildings. According to Commission Notice (EU) C/2023/267 of October 20, 2023, only rental income can be reported as part of the revenue from activity 7.7 Acquisition and ownership of buildings, and such associated income was not material for the period.

Under economic activity 14.2 Flood risk prevention and protection infrastructure, the Group implemented flood protection measures in the form of reinforcement of a lake in the Czech Republic. However, this economic activity was assessed as highly immaterial.

Economic activity 1.1 Afforestation was initially identified as an eligible economic activity, but it was later determined that the Group does not meet the activity description, as it does not transform land use from non-forest to forest. The Group owns forests, but their management does not impact the ecological, economic or social functions of the forest. Therefore, economic activity 1.3 Forest management is also not considered eligible.

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

- 4.16 Installation and operation of electric heat pumps,
- 5.4 Renewal of waste water collection and treatment,
- 6.4 Operation of personal mobility devices, cycle logistics,
- 7.3 Installation, maintenance and repair of energy efficiency equipment,
- 7.7 Acquisition and ownership of buildings
- 14.2 Flood risk prevention and protection infrastructure, are highly immaterial from the reporting point of view and thus will not be listed in the calculations of key performance indicators (KPI).

Based on a detailed review of the Taxonomy Regulation and the associated delegated regulations of the Commission (EU), which supplement the Taxonomy Regulation by establishing technical screening criteria, and after reviewing the Group's economic activities, we have not identified any additional economic activities, apart from the aforementioned, that meet the definition of „eligible economic activity."

2. TAXONOMY-ALIGNED ECONOMIC ACTIVITIES OF THE GROUP

An economic activity is considered environmentally sustainable if it is aligned with the EU Taxonomy (hereinafter referred to as „aligned economic activity") and meets all the following requirements according to Article 3 of the EU Taxonomy Regulation:

- Meets the technical screening criteria established by the European Commission in accordance with the regulations, specifically:

- Significantly contributes to the fulfilment of one or more environmental objectives set out in the regulation,
- Does not significantly harm any of these environmental objectives (Do No Significant Harm - DNSH principle),
- Is carried out in compliance with the minimum social safeguards set out in the regulation.

2.1 TECHNICAL SCREENING CRITERIA

2.1.1 SIGNIFICANT CONTRIBUTION TO:

a) Climate change mitigation,
b) Climate change adaptation,
c) Sustainable use and protection of water and marine resources,
d) Transition to a circular economy,
e) Pollution prevention and control,
f) Protection and restoration of biodiversity and ecosystems.

In order to be able to demonstrate a substantial contribution to a given environmental objective, the economic activity concerned must also satisfy the technical screening criteria specific for that economic activity as defined in Annex I of the Climate Delegated Act and in Annex IV of the Environmental Delegated Act. 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.

Table 1 – Taxonomy-eligible economic activities of the Group

Economic activity	Description	Significant contribution to the environmental objective	Share of the indicator	NACE code
2.1 Hotels, holiday, camping grounds and similar accommodation	The provision of short-term accommodation of tourists with or without associated services, including cleaning, food and beverage services, parking, laundry services, swimming pools and exercise rooms, recreational facilities as well as conference and convention facilities.	Protection and restoration of biodiversity and ecosystems	Turnover, Capital expenditures, Operating expenditures	I55.10, I55.20, I55.30
4.16 Installation and operation of electric heat pumps	Installation and operation of electric heat pumps.	Climate change mitigation	N/A – immaterial	D35.30, F43.22
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.	Climate change mitigation	Turnover, Operating expenditures	D35.11, D35.30
5.4 Renewal of waste water collection and treatment	Renewal of centralized waste water systems including collection (sewer network) and treatment.	Climate change mitigation	N/A – immaterial	E37.00
6.4 Operation of personal mobility devices, cycle logistics	Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity.	Climate change mitigation	N/A – immaterial	N77.11, N77.21
6.5 Transport by motorcycles, passenger cars and light commercial vehicles	Purchase, financing, renting, leasing and operation of vehicles designated as category M1, N1, both falling under the scope of Regulation (EC) No 715/2007 of the European Parliament and of the Council, or L (2- and 3-wheel vehicles and quadricycles).	Climate change mitigation	Capital expenditures	H49.32, H49.39, N77.11
7.3 Installation, maintenance and repair of energy efficiency equipment,	Individual renovation measures consisting of installation, maintenance or repair of energy efficiency equipment.	Climate change mitigation	N/A – immaterial	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12
7.7 Acquisition and ownership of buildings	Procurement of real estate and exercising ownership of that real estate.	Climate change mitigation	N/A – immaterial	L68
14.2 Flood risk prevention and protection infrastructure,	Structural and non-structural measures aiming at prevention and protection of people, ecosystems, cultural heritage and infrastructure against floods.	Climate change adaptation	N/A – immaterial	F42.91

For the fiscal year ending October 31, 2024, the Group does not disclose any of its economic activities as being aligned with the EU Taxonomy. While the Group did purchase a new fleet of vehicles, only one electric car, of the 31 new vehicles, meets the technical criteria for economic activity 6.5 Transport by motorcycles, passenger cars, and light commercial vehicles. The hybrid vehicles purchased by the Group do not meet the emissions criterion of less than 50 g CO_2/km. Consequently, we have concluded that the contribution of this activity to climate change mitigation is not material, and no economic activity can be reported as aligned with the EU Taxonomy for the fiscal year ending October 31, 2024.

If the Group were to purchase a higher proportion of low-emission vehicles in the future, economic activity 6.5 Transport by motorcycles, passenger cars, and light commercial vehicles, could potentially become aligned with the EU Taxonomy. Similarly, the Group's main economic activity 2.1 Hotels, holiday, camping grounds and similar accommodation could also achieve Taxonomy-alignment if the Group places greater emphasis on nature conservation and restoration.

However, in the fiscal year ending October 31, 2024, it is not possible to fulfil all the technical requirements of the regulation for these economic activities.

2.1.2 "DO NO SIGNIFICANT HARM" (DNSH) PRINCIPLE

In addition to significant 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 objectives set out in Article 9 of the Regulation (EU) 2020/852.

Given the absence of activities that could be considered Taxonomy-aligned, we did not need to further verify compliance with the „Do No Significant Harm" (DNSH) principle. Nevertheless, in preparation for future reporting periods, we focused on assessing the climate risks. In conducting this assessment, we relied not only on internal consultations but also on the National Threat Registry[1] applicable to the Slovak Republic, identifying which of the listed risks should be considered at the Group level in the future. Looking ahead, we plan to follow the recommendations of the European Commission and conduct a comprehensive assessment of climate risks, including climate scenario modeling, for aligned economic activities where the risks are deemed both possible and significant.

2.1.3 MINIMUM SOCIAL 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 compliance 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 outlined in the eight core conventions of the International Labor Organization's 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 labor and consumer rights),
- corruption and bribery,
- taxation,
- fair economic competition.

The Group did not record any violation of human rights (including labor and consumer rights) either 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 Tatry mountain resorts, a.s. (TMR) as a "Reliable Tax Subject" which the company received from the Financial

1 https://rokovania.gov.sk/RVL/Material/26865/1; Attachment 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

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. The group has not yet recorded any reports or cases of criminality or antisocial activity within its structures.

3. ACCOUNTING POLICIES OF TMR

Key performance indicators (KPI) include indicators related to turnover, 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 Disclosure Delegated Act.

Cumulative proportion of Taxonomy-eligible economic activities on individual indicators of the Group is provided in Table 2. Cumulative proportion of Taxonomy-eligible economic activities on individual indicators of the Group for the comparable period ending October 31, 2023 is provided in Table 3.

The capital expenditure indicator in Table 3 differs from the table published by the Group in the annual report for the fiscal year ending October 31, 2023, as the Right-of-use Assets were not included in prior period disclosure. Since these assets include expenses under IFRS 16, which are accounted for in the capital expenditure indicator according to the delegated regulation on disclosure, their value (EUR 2,334 thousand) was added to last year's figure. This year, the capital expenditure indicator also includes Right-of-use Assets.

The operating expense indicator in Table 3 differs from the table published by the Group in the annual report for the fiscal year ending October 31, 2023, as the operating costs related to non-capitalized Right-of-use Assets were not included in prior period disclosure.

Table 2 – Proportion of Taxonomy-eligible economic activities for the fiscal year ending October 31, 2024 (turnover, capital expenditure, operating expenditure)

The year ending October 31, 2024	Total (EUR ths.)	Proportion of eligible (not aligned) economic activities (%)	Proportion of aligned economic activities (%)	Proportion of non- eligible economic activities (%)
Turnover	206,852	30.64	0	69.36
Capital expenditure	27,485	36.79	0	63.21
Operating expenditure	15,942	5.44	0	94.56

Table 3 – Proportion of Taxonomy-eligible economic activities for the fiscal year ending October 31, 2023 (turnover, capital expenditure, operating expenditure)

The year ending October 31, 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	24,989	54.61	0	45.39
Operating expenditure	11,499	0.66	0	99.34

Since these costs include leasing expenses that are not capitalized under IFRS 16 and which are accounted for in the operating expense indicator according to the delegated regulation on disclosure, their value (EUR 5,196 thousand) was added to last year's figure. This year, the operating cost indicator includes these costs as well as the amount representing of materials for repair and maintenance (EUR 1,431 thousand). These activities of the Group represent activities that cannot be individually allocated to a specific economic activity, and therefore an analysis of the eligibility of these costs cannot be carried out. The Group therefore reports them as non-eligible.

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 October 31, 2024.

Net turnover for the fiscal year ending October 31, 2024 (EUR 206,852 thousand) 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

Table 4 – Turnover KPI for fiscal year 2024

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	**Code**	**Turnover (in ths. EUR)**	**Proportion of Turnover**	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) turnover, year N-1	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
„Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)"		0	0%														0%		
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	CCM 4.30	912	0,44%														0%		
2.1 Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	62 457	30,19%														0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		63 370	30,64%														3,83%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		63 370	30,64%														3,83%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B. Turnover of Taxonomy-non-eligible activities		143 482	69,36%																
TOTAL (A+B)		206 852	100%																

is provided in note 6 of the notes of the consolidated financial statements.

Net turnover from eligible economic activities represents turnover from the following activities:

- 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels,
- 2.1 Hotels, holiday, camping grounds and similar accommodation.

Compared to the fiscal year 2023, the most significant change in the turnover indicator was caused due to biodiversity and ecosystems protection aim, which was introduced with activity 2.1 Hotels, holiday, camping grounds and similar accommodation and which is being reported separately. This is an addition to the revenue disclosure under the EU Taxonomy, following the implementation of the remaining four environmental goals. In the previous period, these activities were partially reported under economic activities 7.1 Construction of new buildings and 7.2 Renovation of existing buildings, which represented accommodation capacities in 2023.

Table 5 – Turnover KPI for fiscal year 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	**Code**	**Turnover (in ths. EUR)**	**Proportion of Turnover**	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) turnover, year N-1	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
„Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)“		0	0%	Not applicable													0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
4.9 Transmission and distribution of electricity	CCM 4.9	1 284	0,68%	Not applicable													0%	enabling	
7.1 Construction of new buildings	CCM 7.1	5 612	2,98%														0%		
7.2 Renovation of existing buildings	F41 F43	319	0,17%														0%		transitional
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7 215	3,83%														1,62%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		7 215	3,83%														1,62%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B. Turnover of Taxonomy-non-eligible activities		181 164	96,17%																
TOTAL (A+B)		188 379	100%																

3.2 CAPITAL EXPENDITURE

The capital expenditure indicator was determined as the share of capital expenditures associated with eligible economic activities (numerator) and the total capital expenditures according to the EU Taxonomy definition (denominator) for the fiscal year ending October 31, 2024. The Group currently does not have a Capital Expenditure Plan (CapEx Plan) that meets the conditions defined in Annex I of the Disclosure Delegated Act.
The purchase of assets qualifies as capital expenditure aligned with the EU Taxonomy if it meets one of the three conditions:

1. It is associated with assets or processes that are related to Taxonomy-aligned economic activities,
2. It is part of a plan to expand Taxonomy-aligned economic activities or to enable Taxonomy-eligible economic activities to become Taxonomy-aligned,
3. It is associated with the purchase of output from Taxonomy-aligned economic activities and with individual measures enabling the target activities to become low-carbon or lead to a reduction in greenhouse gas emissions.

The denominator includes capital expenditures related to additions of tangible fixed assets, intangible fixed

Table 6 – CapEx KPI for fiscal year 2024

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	**Code**	**CapEx (in ths. EUR)**	**Proportion of CapEx**	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy - aligned (A.1.) or -eligible (A.2.) CapEx, year N-1	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
6.5 Transport by motorcycles, passenger cars and light commercial vehicles	CCM 6.50	758	2,76%														0%		
2.1 Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	9 354	34,03%														0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10 112	36,79%														54,61%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		10 112	36,79%														54,61%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B. CapEx of Taxonomy-non-eligible activities		17 373	63,21%																
TOTAL (A + B)		27 485	100%																

assets, and right-of-use assets. Specifically, it refers to additions of tangible assets accounted for according to IAS 16, additions of intangible assets accounted for according to IAS 38, and right-of-use assets accounted for according to IFRS 16. Thus, the denominator is comprised of the total capital expenditures for the accounting period, which include additions of real estate, machinery and equipment, and intangible assets (EUR 27,485 thousand), as reported in notes 14, 15, 16 of notes of the consolidated financial statements.

The numerator includes all portions of the total capital expenditures that are related to economic activities that have been identified as Taxonomy-eligible.

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

- 6.5 Transport by motorcycles, passenger cars and light commercial vehicles,
- 2.1 Hotels, holiday, camping grounds and similar accommodation.

Compared to the fiscal year 2023, the most significant change in the turnover indicator was caused due to

Table 7 – CapEx KPI for fiscal year 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	**Code**	**CapEx (in ths. EUR)**	**Proportion of CapEx, year N**	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy - aligned (A.1.) or -eligible (A.2.) CapEx, year N-1	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
7.1 Construction of new buildings	CCM 7.10	13 110	52,46%														0%		
7.2 Renovation of existing buildings	CCM 7.20	537	2,15%														0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		13 647	54,61%														0%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		13 647	54,61%														0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B. CapEx of Taxonomy-non-eligible activities		11 342	45,39%																
TOTAL (A + B)		24 989	100%																

biodiversity and ecosystems protection aim, which was introduced with activity 2.1 Hotels, holiday, camping grounds and similar accommodation and which is being reported separately. This is an addition to the capital expenditure disclosure under the EU Taxonomy, due to the implementation of the remaining four environmental goals. In the previous period, these activities were partially reported under economic activities 7.1 Construction of new buildings and 7.2 Renovation of existing buildings, which represented accommodation capacities in 2023. For the environmental goal of climate change mitigation, the Group added the activity 6.5 Transportation by motorcycles, passenger cars, and light commercial vehicles due to the replacement of the existing fleet of company vehicle.

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).

Total 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-capitalized expenditure associated with research and development, building renovation measures, short-term lease, maintenance and repair and any other direct

Table 8 – OpEx KPI for fiscal year 2024

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	**Code**	**OpEx (in ths. EUR)**	**Proportion of OpEx, year N**	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy - aligned (A.1.) or -eligible (A.2.) OpEx, year N-1	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
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	CCM 4.30	120	0,75%														0,47%		
2.1 Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	748	4,69%														0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		868	5,44%														0,66%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		868	5,44%														0,66%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B. OpEx of Taxonomy-non-eligible activities		15 074	94,56%																
TOTAL (A + B)		15 942	100%																

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 thus includes materials for repair and maintenance, rental costs (for premises) and others, as well as repair and maintenance costs, and the value can be reconciled to the data stated in the points 7 and 8 of the notes of the Group's the consolidated financial statements. Operating expenditure for eligible economic activities represents expenses from the following economic activities:

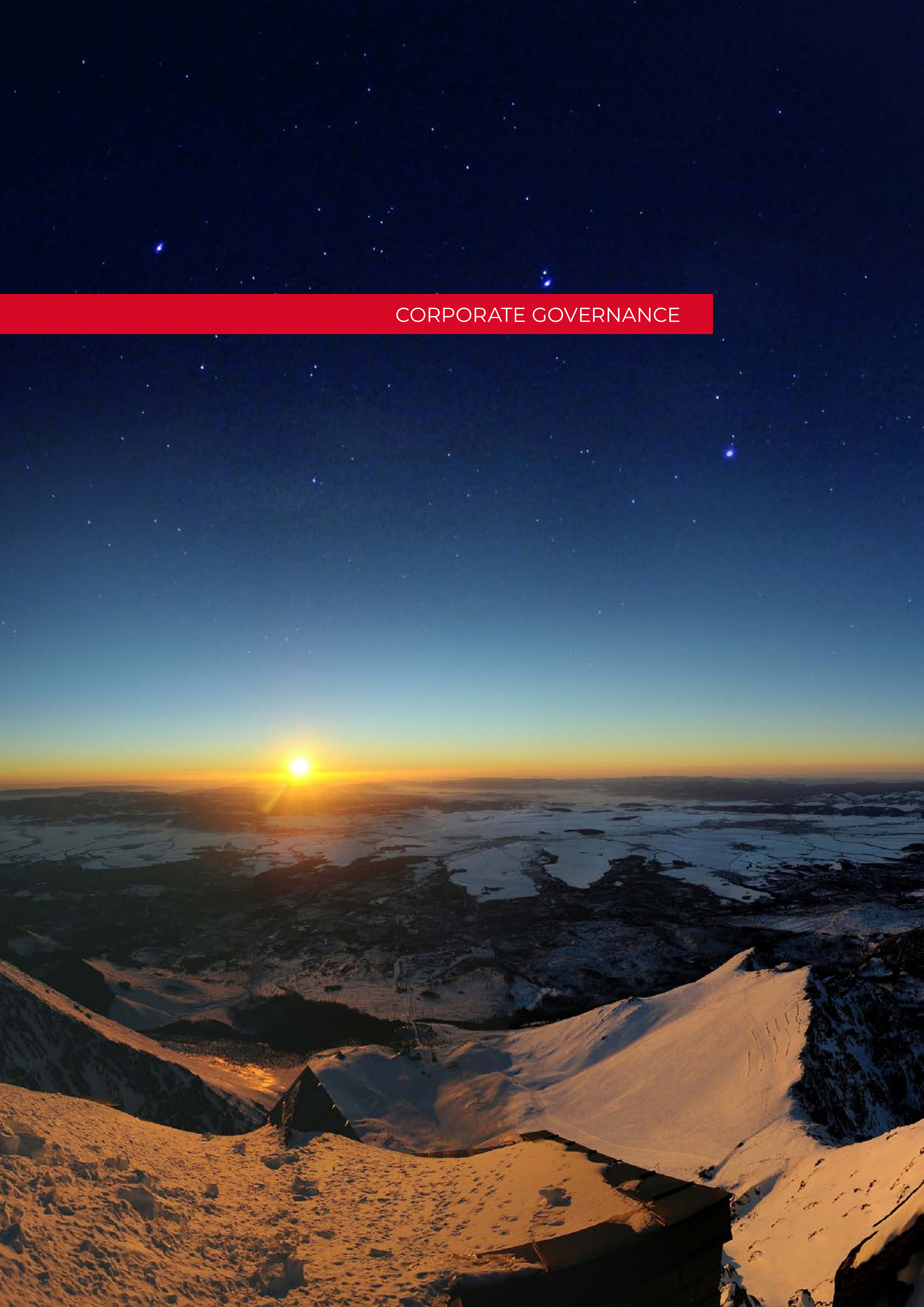
- 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels,
- 2.1 Hotels, holiday, camping grounds and similar accommodation.

Compared to the fiscal year 2023, the most significant change in the turnover indicator was caused due to biodiversity and ecosystems protection aim, which was introduced with activity 2.1 Hotels, holiday, camping grounds and similar accommodation and which is being reported separately. This is an addition to the operating expenditure under the EU Taxonomy, due to the implementation of the remaining four environmental goals. In the previous period, these activities were partially reported under economic activity 7.1 Construction of new buildings, which represented accommodation capacities in 2023.

Table 9 – OpEx KPI for fiscal year 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	**Code**	**OpEx (in ths. EUR)**	**Proportion of OpEx, year N**	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy - aligned (A.1.) or -eligible (A.2.) OpEx, year N-1	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	Not applicable													0%		
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	CCM 4.30	54	0,47%	Not applicable													0%		transitional
7.1 Construction of new buildings	CCM 7.1	22	0,19%														0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		76	0,66%														0,04%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		76	0,66%														0,04%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
B. OpEx of Taxonomy-non-eligible activities		11 423	99,34%																
TOTAL (A + B)		11 499	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 not 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 2024, 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. Prior to this position, which he was elected to in September 2019 he had served as a member of the Supervisory Board since June 29th, 2009 when he got elected as a member of the Supervisory Board by the election of a General Assembly. He has extensive experience in finance. Additionally, he is a member of Supervisory Boards and an Executive in several 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 "Podnikateľská banka" in Prague. He graduated from the Slovak University of Technology, Faculty of Electrical Engineering in Bratislava.

Besides his role as a Chairman of the Board of Directors of TMR Ing. Rattaj holds the positions of Chairman of the Board of Directors in GARFIN HOLDING, a.s., Hurricane Factory a.s., TMR Parks, a.s., CENTRAL JASNÁ Property, a.s., HOTEL SASANKA Property, a.s., GOPASS SE, Czech Republic and is a member of the Board of Directors of MELIDA, a.s., Czech Republic and GOPASS Property, a person of venture capital, 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, 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. and City Logistics Property Fund SICAV, a.s., Czech Republic.

Mr. Rattaj is also a partner in EU GEN s.r.o., Since

December 10th, 2018, a member of the Supervisory Board of RENTAL LIVE a.s. Furthermore, he is the head of the organizational unit in GOPASS SE, organizational unit since November 8th, 2022.

As of the date of the annual report, he also holds the position of a CEO in the following companies: Thalia s.r.o., C4U, s.r.o., MONTIR, s.r.o. in liquidation, RCBT, s.r.o., budkova, s.r.o., CryptoData, s.r.o., DCBA s.r.o., TMR Real Estate, s.r.o., Eurocom Investment, s.r.o., Hurricane Factory Tatralandia s.r.o., International TMR services, s.r.o., Czech Republic, CLP Finance s. r. o., Czech Republic, and is also a member of the Supervisory Board of RIVERSAND a. s., 100% shareholder in ROJKO, spol. s.r.o., 20% shareholder in CTY PRŮMYSLOVÁ, s.r.o. in liquidation, Czech Republic

Number of shares held as of 31 October 2024: 3 828 003 (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.
- EUROCOM Investment, s.r.o.
- NARCIUS, a. s.
- CENTRAL JASNÁ Property, a. s.
- HOTEL SASANKA Property, a.s.
- Inviton s. r. o.
- Šaca Property I s. r. o.
- Šaca Property II s. r. o.
- Šaca Property III s. r. o.
- GOPASS SE, Czech Republic

Ms. Ištvanfiová is also a member of the Supervisory Board in the Company GOPASS Property, person of venture capital, a.s., Czech Republic.

Number of shares held as of 31 October 2024: 0

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

Čeněk 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
- SKOL MAX Ski School, a. s. v likvidaci, Česká republika
- Jílek Lanškroun, s.r.o.

Mr. Jílek is simultaneously a member of the Supervisory Board in a Company GOPASS Property, person of venture capital, a.s.

Number of shares held as of 31 October 2024: 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 2024, the Supervisory Board was comprised of nine members:

- **Adam Tomis** - Chairman of the Supervisory Board, appointment 03.09.2024
- **František Hodorovský** - re-elected Vice-Chairman of the Supervisory Board, appointment 01.07.2021
- **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
- **Naďa Ondrušiková** - member of the Supervisory Board, appointment 01.06.2024

Changes during the year:

On 17.05.2024 the Ordinary General Meeting of the Company dismissed Ing. Jozef Hodek from the position of a member of the Supervisory Board with the date of termination of the function on 31.05.2024 and elected as a member of the Supervisory Board Ms. Naďa Ondrušiková with the date of commencement of the function on 01.06.2024.

MEMBERS OF THE SUPERVISORY BOARD

On 17.05.2024 the Ordinary General Meeting of the Company dismissed Ing. Jozef Hodek from the position of a member of the Supervisory Board with the date of termination of the function on 31.05.2024 and elected as a member of the Supervisory Board Ms. Nadia Ondrušiková with the date of commencement of the function on 01.06.2024.

- **Adam Tomis** - Chairman of the Supervisory Board since 03/09/2024

  Chairman of the Supervisory Board from 03.09.2024

Mr. Tomis was elected as a member of the Supervisory Board by the General Meeting of Shareholders for the first time in April 2014, subsequently in 2019 and again in May 2024. He is currently a project manager responsible for J&T Group's non-banking investments. In 2012-2013, he worked at the consulting firm McKinsey&Company on projects in banking and telecommunications. Prior to that, he worked for eight years at an investment firm Benson Oak Capital and one year at the independent airline Travel Service. Mr. Tomis graduated from Charles University in Prague, Institute of Economic Studies, with a master's degree in finance, financial markets and banking. Mr. Tomis was elected as a Chairman of the Supervisory Board by the Supervisory Board on 03.09.2024.

In addition to the position of Chairman of the Issuer's Supervisory Board, Adam Tomis serves as a member of the Management Board of 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).

Adam Tomis also serves as a member of the Supervisory Board of 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. (Czech Republic); and
- J&T ENERGY FINANCING CZK VI, a.s. (Czech Republic).
- J&T ENERGY FINANCING CZK VII, a.s. (Czech Republic).

At the same time, Adam Tomis has served as Chairman of the Supervisory Board of J&T INVESTIČNÍ SPOLEČNOST, a.s. (Czech Republic) since April 27th, 2022.

Number of shares held as of 31.10.2024: 0

- **František Hodorovský** - member of the Supervisory Board since 18/01/2011, re-elected as the Deputy Chairman of the Board on 01/07/2021
In January 2011, Mr Hodorovský was first elected by the General Meeting 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 as 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.

In addition to his position as a member of the Supervisory Board of the Company, Ing. Hodorovský acts as a managing director in the companies DITERGO, s.r.o., FOREST HILL COMPANY, s.r.o., MINERVASIS, s.r.o., SLOVKARPATIA DANUBE, s.r.o., SLOVKARPATIA, s.r.o., ENNEL, s.r.o. and TLD, s.r.o., E-is-W, s.r.o., FOREST HILL, s.r.o.

Number of shares as of 31.10.2024: 0 (František Hodorovský), 2 001 677 (FOREST HILL, s.r.o., 100%)

- **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 2024: 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 has been a member of the Supervisory Board of Štrbské Pleso resort, s.r.o. since September 2023 and a member of the Supervisory Board of TMR Parks, a.s.

Number of shares held as of 31 October 2024: 0

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

Ing. Devečka was elected as a member of the Supervisory Board in May 2020. Prior to this, he was a member of the TMR Management Board since December 2011. He has worked as an owner, entrepreneur, co-owner, managing director and member of supervisory boards in numerous companies since 1991. Prior to that, he held the position of a senior manager in the technological engineering company Tesla Liptovský Hrádok. He obtained his engineering degree at the Technical University of Liptovský Mikuláš with a focus on microelectronics and laser technology.

In addition to him serving as a member of the Supervisory Board of TMR Ing. Devečka is a managing director of HOLLYWOOD C.E.S., s.r.o. and C4U, s.r.o., E.R.W. Trading s.r.o., HOLLYWOOD C.E. SK, s.r.o., Solidteam s.r.o., and he has been a member of the Supervisory Board of TMR Parks, a.s. since October 1st, 2022. Ing. Devečka has been a member of the Supervisory Board of CENTRAL JASNÁ Property, a.s. and HOTEL SASANKA Property, a.s. since 2024.

Number of shares held as of 32 October 2024: 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 in Tatranské lanové dráhy, a.s. since 1985.

Number of shares held as of 31 October 2024: 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 following companies TMR Parks, a.s. and Region Tatry Travel, s.r.o., CENTRAL JASNÁ Property, a.s. a HOTEL SASANKA Property, a.s.

  Number of shares held as of 31 October 2024: 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 2024: 0

- **Naďa Ondrušíková** - Member of the Supervisory Board since June 1, 2024

  Naďa Ondrusšíková was elected as a member of the Supervisory Board by the General Assembly in May 2024. She is the Managing Director of O.C & O.C PRODUCTION & O.C AGENCY, one of Austria's best-known lifestyle and event PR agencies. Prior to that, she was a CEO of VOGUISH.TV & STARFASHVISION.TV (2008 - 2016) focusing on international TV productions, including the world-famous Cannes Film Festival, as well as lifestyle and fashion shows in New York, London, Milan and Paris. In years 2004-2008, she served as an acting CEO of RATH AVIATION CANNES /FRANCE, a private aircraft operating company, including operational management of the entire flight management. She graduated from the International Business College Vienna among others.

  Number of shares held as of 31 October 2024: 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, 2024, 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 17, 2024, 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 the 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

- bonuses 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

- bonuses and other benefits of a member of the Supervisory Board

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 2023/2024 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 2023/2024 was EUR 0.517 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 November 1st, 2023 to October 31st, 2024, one session of the General Meeting was convened. It took place on May 17th, 2024.

ANNUAL GENERAL MEETING

At the Annual General Meeting held on 17 May 2024, the shareholders adopted the following main resolutions:

1. Approval of the ordinary individual financial statements as at 31.10.2023
2. Approval of the proposal of the Board of Directors for the distribution of the profit made in the financial year beginning 01.11.2022 and ending 31.10.2023 in the amount of EUR 2,712,772.24, in such a way that a part of the profit of EUR 271,277.22 will be used to replenish the Reserve Fund, a part of the profit of EUR 13,563.86 will be used for the allocation to the Social Fund, and a part of the profit of EUR 2,427,931.16 will be transferred to the account Retained Earnings of Prior Periods.
3. Consideration of the Management Board's report on the results of the company's business activities, the state of the company's assets and financial management, the business plan and the financial budget, the annual report and the Supervisory Board's report.
4. Increase of the company's ordinary share capital by issuing and subscribing to a maximum of 6,315,790 new shares for a maximum amount of EUR 44,210,530 for a total share capital of EUR 91,160,916
5. Dismissal of Ing. Jozef Hodek from his position as a member of the Supervisory Board as of 31.05.2024
6. Appointment of Ms. Naďa Ondrušiková as a member of the Supervisory Board and approval of the contract on the execution of the function
7. Re-election of Mr. Adam Tomis as a member of the Supervisory Board and approval of the contract on the execution of the function
8. Approval of changes to the Company's Articles of Association - deletion of the abolished subject of the Company's business activity and supplementation of the Articles of Association with a provision regulating the creation of capital funds in the Company and the related extension of the powers of the General Meeting of Shareholders
9. Approval of changes to the Rules of Remuneration of the Bodies of Public Joint Stock Companies
10. Approval of the audit company KPMG Slovensko spol. s.r.o. for the audit of the financial statements for the year ending 31.10.2024

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 2023/2024, the Company's Supervisory Board carried out the Company's monitoring activities with a total of nine members. In the period from November 1st, 2023 to October 31st, 2024, the Supervisory Board convened eleven (11) meetings of the Supervisory Board:

- On 23/11/2023 nine members of the Supervisory Board were present.
- On 13/12/2023 eight members of the Supervisory Board were present.
- On 22/02/2024 nine members of the Supervisory Board were present.
- On 03/04/2024 nine members of the Supervisory Board were present.
- On 23/05/2024 nine members of the Supervisory Board were present.
- On 17/07/2024 seven members of the Supervisory Board were present.
- On 31/07/2024 eight members of the Supervisory Board were present.
- On 06/08/2024 eight members of the Supervisory Board were present.
- On 03/09/2024 nine members of the Supervisory Board were present.
- On 10/10/2024 eight members of the Supervisory Board were present.
- On 24/10/2024 eight members of the Supervisory Board were present.

During the financial year ending 31/10/2024 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 31st, 2024). 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. 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. 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 56% men and 44% 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 13,022,988 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: 13,022,988
% 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 bonds, secured by a pledge over certain assets owned by the Company. Bonds TMR III 4,40% / 2024 were fully paid off on October 10, 2024.

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 7th, 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/investor-relations/bonds/. On October 30, 2024, the company completed a full buyback of the TMR V 6.00% / 2026 bond issue.

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/investor-relations/bonds/. On October 30, 2024, the company fully redeemed the TMR VI 5.40% / 2027 bond issue ahead of its maturity.

As of 31/10/2024 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 31/10/2024 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 2023/24.

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 2023/24 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 2024 and Consolidated Financial Statements as of 31 October 2024 based on the decision of the General Meeting held on May 17, 2024.

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, the provision of advisory services related to non-financial reporting and provision of advisory services related to filing of corporate income tax return.

PROPOSAL ON DISTRIBUTION OF PROFIT

For the year ended 31 October 2024, the Company achieved net profit of EUR 9.132 mil. according to Individual Financial Statements. The Board of Directors proposes the following distribution of the profit:

1. EUR 913 ths. will be allocated to the reserve fund.
2. EUR 46 ths. will be allocated to the social fund, based on the Collective Agreement.
3. The balance in the amount of EUR 8,173 mil. will be transferred to the retained earnings account.

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

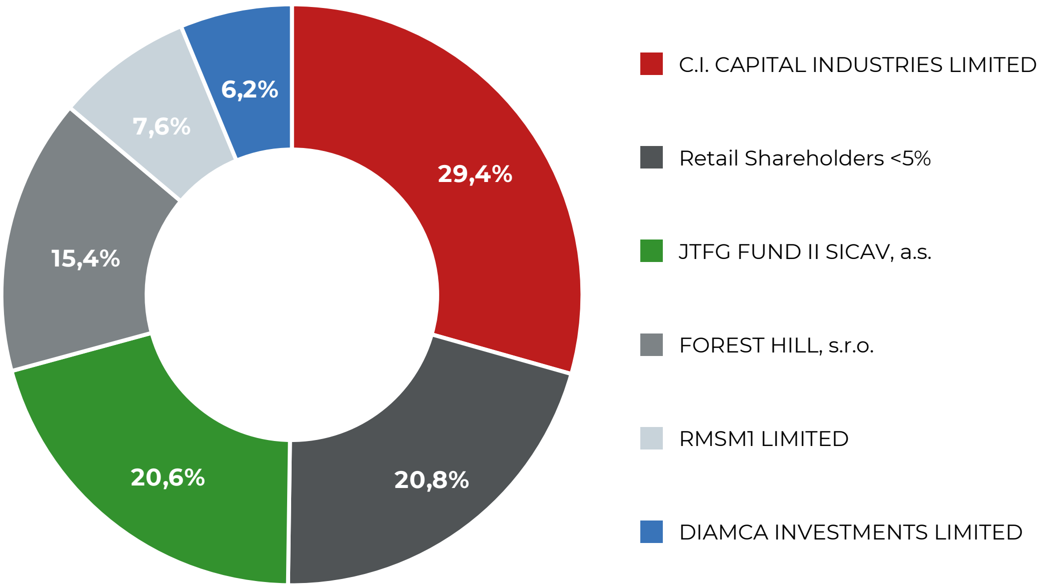
Closing Price	BCPB (EUR)	WSE (PLN)	BCPP (CZK)
31.10.2024	21,00	107,00	590,00
31.10.2023	24,40	116,00	615,00

* 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 31/10/2024:

Shareholder Structure as of 31.10.2024



Company / Name	No. of Shares	Interest in Share Capital		Voting Rights %
		in EUR thousands	%	
C.I. CAPITAL INDUSTRIES LIMITED	3 828 003	26 796	29,4%	29,4%
Retail Shareholders	2 711 564	18 981	20,8%	20,8%
JTFG FUND II SICAV, a.s.	2 677 402	18 742	20,6%	20,6%
FOREST HILL, s.r.o.	2 001 677	14 012	15,4%	15,4%
RMSM1 LIMITED	992 666	6 949	7,6%	7,6%
DIAMCA INVESTMENTS LIMITED	811 676	5 682	6,2%	6,2%
Total	13 022 988	91 161	100,0%	100,0%

CONSOLIDATED FINANCIAL STATEMENTS


РОК 2024

Consolidated Financial Statements

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

Consolidated Financial Statements
for the period from 1 November 2023 to 31 October 2024

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	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Revenue	6	206 852	188 379
Total revenue		**206 852**	**188 379**
Material and goods consumption	7	-25 330	-24 687
Purchased services	8	-56 665	-51 468
Personnel expenses	9	-63 672	-54 422
Other operating expenses	10	-2 525	-2 043
Other operating income	11	931	3 447
Gain / (loss) on revaluation of investment property	17	41	-
Impairment losses to financial assets	20,21,22,23,25	-1 970	160
Profit / (loss) before interest, taxes, depreciation and amortization (EBITDA)*		**57 662**	**59 366**
Depreciation and amortization	14,16	-23 243	-25 637
Depreciation of right-of-use assets	15	-5 534	-5 844
Release / (creation) of impairment to Property, plant and equipment and Right-of-use assets	14, 15, 16	7 091	-4 528
Profit / (loss) before interest, taxes (EBIT)*		**35 976**	**23 357**
Interest income calculated using effective interest rate	12	1 886	238
Financing cost	12	-33 129	-27 574
Net profit / (loss) on financial operations	12	1 077	6 889
Profit / (loss) from disposal of subsidiaries	5	-920	-
Share of profit / (loss) on equity-accounted investees	5 a), 5 b)	-484	-355
Profit / (loss) before tax		**4 406**	**2 555**
Current income tax	13	-1 052	-1 919
Deferred income tax	13	-4 775	-1 184
Profit / (loss) for the period		**-1 421**	**-548**
Attributable to:			
- Holders of interest in the parent company's equity		**-1 649**	**-497**
- Non-controlling interest		**228**	**-51**
Other components of the comprehensive income			
Items that shall not be reclassified to profit / (loss) in subsequent periods (net of tax)			
Revaluation related to Property, plant and equipment transferred to Investment property	17	307	-
Items that may be reclassified to profit / (loss) in subsequent periods (net of tax):			
Net gain/(loss) on cash flow hedges	30	-	2 602
Foreign currency translation reserve	26	-1 866	-3 148
Total comprehensive income / (expense)		**-2 980**	**-1 094**

Consolidated statement of profit and loss and other comprehensive income (continued)

Total comprehensive income / (expense) for the period		**-2 980**	**-1 094**
Attributable to:			
- Holders of interest in the parent company's equity		**-3 158**	**-1 040**
- Non-controlling interest		**178**	**-54**
Basic and diluted earnings per share (in EUR)	26	**-0,205**	**-0,074**
Weighted average number of ordinary shares		**8 053 186**	**6 707 198**

*EBIT/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 EBIT/EBITDA, in particular profit / (loss) from financial operations representing foreign exchange gains / (losses). The EBIT/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 109 to 182 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	31.10.2024	31.10.2023
Assets			
Goodwill and intangible assets	16	35 268	35 431
Property, plant and equipment	14A	411 915	414 566
Right-of-use assets	15	63 390	59 018
Investment property	17	7 189	6 663
Equity-accounted investees	5	10 216	13 219
Loans provided	20	1 075	1 245
Other receivables	22	838	506
Deferred tax asset	18	4 928	5 296
Total non-current assets		**534 819**	**535 944**
Inventory	19	12 871	9 471
Trade receivables	21	4 166	5 537
Assets held for sale	14B	1 283	-
Loans provided	20	1 498	1 426
Other receivables	22	2 386	1 838
Financial investments	24	137	39
Cash and cash equivalents	25	40 561	17 727
Other assets	23	10 354	7 652
Corporate income tax asset		31	-
Total current assets		**73 287**	**43 690**
Assets total		**608 106**	**579 634**
Equity	26		
Share capital		91 161	46 950
Share premium		106 220	30 430
Retained earnings		-53 021	-50 872
Other reserves		7 932	7 534
Foreign currency translation reserve		-3 262	-1 446
Total equity attributable to holders of interest in the parent company's equity		**149 030**	**32 596**
Non-controlling interest		-166	-700
Total equity		**148 864**	**31 896**
Liabilities			
Loans and borrowings	27	265 740	106 420
Lease liabilities	28	63 711	63 838
Trade payables and other payables	29	388	864
Provisions	33	811	167
Other non-current liabilities	32	10 713	12 741
Bonds issued	34	-	166 643
Deferred tax liability	18	34 079	29 597
Total non-current liabilities		**375 442**	**380 270**
Loans and borrowings	27	11 473	11 462
Lease liabilities	28	9 841	8 440
Trade payables and other payables	29	27 758	25 214
Contract liabilities	31	24 408	19 810
Provisions	33	341	422
Bonds issued	34	-	94 621
Corporate income tax liability	13	771	1 516
Other current liabilities	32	9 208	5 983
Total current liabilities		**83 800**	**167 468**
Total liabilities		**459 242**	**547 738**
Total equity and liabilities		**608 106**	**579 634**

The Notes on pages 109 to 182 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 2023	**46 950**	**30 430**	**7 350**	**184**	**-**	**-1 446**	**-50 872**	**32 596**	**-700**	**31 896**
Profit / (Loss) for the period	-	-	-	-	-	-	-1 649	**-1 649**	228	**-1 421**
Other components of comprehensive income, after tax										
- Items that shall not be reclassified to profit / (loss)										
Revaluation related to Property, plant and equipment transferred to Investment property	-	-	-	307	-	-	-	**307**	-	**307**
- Items that may be reclassified to profit / (loss)										
Foreign currency translation reserve	-	-	-	-	-	-1 816	-	**-1 816**	-50	**-1 866**
Total comprehensive income for the period	**-**	**-**	**-**	**307**	**-**	**-1 816**	**-1 649**	**-3 158**	**178**	**-2 980**
Transactions with owners posted directly into equity										
Effect of disposal of a subsidiary	-	-	-	-	-	-	-	**-**	-56	**-56**
Purchase of non-controlling interest	-	-	-	-	-	-	-430	**-430**	412	**-18**
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-430**	**-430**	**356**	**-74**
Other transactions										
Issuance of new ordinary shares	44 211	75 790	-	-	-	-	-	**120 001**	-	**120 001**
Transfer of Retained earnings to Legal reserve fund	-	-	271	-	-	-	-271	**-**	-	**-**
Contribution to Social fund	-	-	-	-	-	-	21	**21**	-	**21**
Revaluation related to Investment property transferred to Property, plant and equipment	-	-	-	-180	-	-	180	**-**	-	**-**
Total other transactions	**44 211**	**75 790**	**271**	**-180**	**-**	**-**	**-70**	**120 022**	**-**	**120 022**
Balance as at 31 October 2024	**91 161**	**106 220**	**7 621**	**311**	**-**	**-3 262**	**-53 021**	**149 030**	**-166**	**148 864**

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**
Profit / (loss) for the period	-	-	-	-	-	-	-497	**-497**	-51	**-548**
Other components of comprehensive income, after tax										
- Items that may be reclassified 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	**-**	**-**	**-**	**-**	**2 602**	**-3 145**	**-497**	**-1 040**	**-54**	**-1 094**
Transactions with owners posted directly into equity										
Effect of disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-	-	-
Other transactions										
Transfer of Retained earnings into the Legal reserve fund	-	-	329	-	-	-	-329	-	-	-
Contributions to the Social fund	-	-	-	-	-	-	-17	**-17**	-	**-17**
Total other transactions	**-**	**-**	**329**	**-**	-	-	-346	**-17**	-	**-17**
Balance as at 31 October 2023	**46 950**	**30 430**	**7 350**	**184**	**-**	**-1 446**	**-50 872**	**32 596**	**-700**	**31 896**

The Notes on pages 109 to 182 constitute an integral part of the Consolidated financial statements.

Consolidated cash flow statement

in TEUR	Note	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
OPERATING ACTIVITIES			
Loss for the period		**-1 421**	**-548**
Adjustments related to:			
Gain on disposal of property, plant and equipment and intangible assets	14,16	-93	-2 002
Depreciation and amortisation	14,16	23 243	25 637
Depreciation of right-of-use assets	15	5 534	5 844
Impairment losses to financial assets	20,21,22,23,25	1 970	-160
Impairment of non-current assets	14,15	-7 091	4 528
Net (gain) / loss on financial instruments (non-cash)	5	-1 077	-6 889
Share of (profit) or loss of equity-accounted investees	5	484	355
Loss from disposal of subsidiaries	5	920	-
(Profit) / loss on revaluation of investment property	17	-41	-
Net interest (income) / expenses	12	31 243	27 336
Change in provisions	33	562	-23
Income tax	13	5 827	3 103
Change in trade receivables, other receivables and other assets	21,22,23	-3 417	3 858
Change in inventories	19	-2 405	-4 964
Change in trade payables, contract liabilities and other liabilities	29,32	11 053	6 176
Cash flow from operating activities before income tax		**65 291**	**62 251**
Income tax paid		-1 844	-822
Cash flow from operating activities		**63 447**	**61 429**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets	14,16	-19 010	-22 654
Proceeds from disposal of property, plant and equipment and intangible assets	14,16	728	4 090
Acquisition of shares in a subsidiary	5	-18	-
Proceeds from the sale of shares in subsidiaries and equity-accounted investees	5	-386	-
Loans provided	20	-121 956	-920
Proceeds from loans provided	20	120 883	389
Proceeds from disposal of financial investments	24	0	3
Interest received	12	1 758	9
Cash flow from investing activities		**-18 001**	**-19 083**
FINANCING ACTIVITIES			
Proceeds from issue of share capital		120 001	-
Repayment of lease liabilities	28	-12 645	-6 589
Repayment of received loans and borrowings	27	-115 763	-8 691
Proceeds from loans and borrowings	27	276 922	2 928
Bonds issued	34	-	56 457
Repayment of bonds	34	-259 000	-61 127
Repayment of interest	12	-32 118	-23 197
Cash flow from financing activities		**-22 605**	**-40 219**
Net increase of cash and cash equivalents		22 841	2 127
Cash and cash equivalents at the beginning of the year	25	17 727	15 600
Influence of impairment allowance to cash and cash equivalents		-7	-
Cash and cash equivalents at end of the year	25	**40 561**	**17 727**

The Notes on pages 109 to 182 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.

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 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 2024 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 comprise the operations of cable ways and ski lifts, restaurant and catering services, the operation of ski and snowboard schools, the purchase and sale of goods, hotel business, 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.

On 15 December 2023, the company GOPASS Property a.s. was established, with 100% ownership held by the company GOPASS SE. On 7 March 2024, the company GOPASS Property SK, s.r.o. was founded, with 100% ownership held by GOPASS Property a.s.. On 28 March 2024, the Company sold its 73.7% share in company Korona Ziemi Sp. z o.o.. On 10 April 2024, the company GOPASS Property a.s. acquired a 100% stake in the company GOPASS Property PL Sp. z o. o.. On 27 April 2024, company JASNÁ CENTRAL, s.r.o. was established with a registered capital of EUR 5 thousand, of which the Company became 100% owner. On 26 June 2024, the company Ankogel Bergbahnen BE GmbH was established, with 100% ownership held by Mölltaler Gletscherbahnen GmbH & Co KG. On 6 August 2024, company CENTRAL JASNÁ Property, a.s. was founded within the TMR Group, of which the Company became 100% owner. On 21 August 2024, the Company purchased a 100% share in company FORESPO HOREC A SASANKA a. s., for the purpose of acquiring real estate. The company was subsequently renamed to HOTEL SASANKA Property, a.s.. On 18 October 2024, an 85% stake in the company GOPASS Property a.s., which was previously 100% owned by GOPASS SE, was sold. As part of the transaction, the companies GOPASS Property SK, s.r.o. and GOPASS Property PL Sp. z o. o., which are 100% subsidiaries of GOPASS Property a.s., were also deconsolidated from the TMR group. On 31 October 2024, the Company sold its 100% share in TMR Finance CR, a.s.

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
Čeněk Jílek, the Member (to 31 October 2024)
Ing. Marian Klas, the Member (since 1 November 2024)

Supervisory Board:
Ing. František Hodorovský
Roman Kudláček
Ing. Andrej Devečka
Ing. Pavol Mikušiak
Mgr. Marek Schwarz
Ivan Oško
Miroslav Roth
Ing. Jozef Hodek (since 1 July 2023 to 31 May 2024)
Adam Tomis (since 17 April 2019 to 17 April 2024 and since 17 May 2024)
Naďa Ondrušiková (since 1 June 2024)

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 Art 22 of 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 2023 to 31 October 2024.

The financial statements were approved by the Board of Directors on 28 February 2025.

(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 or other comprehensive income.

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 also 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 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 2024.

In the course of the accounting period starting on 1 November 2023 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 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).

(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 2024, 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 IAS 1 Presentation of financial statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Adopted by the EU on 19 December 2023 (effective for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements – Adopted by the EU on 15 May 2024 (effective for annual periods beginning on or after 1 January 2024).
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback – Adopted by the EU on 20 November 2023 (effective for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates – Non-exchangeability of currency – Adopted by the EU on 12 November 2024 (effective for annual periods beginning on or after 1 January 2025)
- Amendments to IFRS 9 Financial Instruments – Derecognition of financial liabilities settled by electronic transfer and classification of financial assets, and amendments to IFRS 7 Financial Instruments: Disclosures – Disclosure of investments in equity instruments measured at fair value through other comprehensive income, contractual terms that may change the timing or amount of contractual cash flows, and adjustments to Other Standards – issued by the International Accounting Standards Board ("IASB") on 30 May 2024. Following EU adoption, the amendments are expected to be effective for annual periods beginning on or after 1 January 2026.
- IFRS 18 Presentation and Disclosure in financial statements – issued by the IASB on 9 April 2024. Following EU adoption, the standard is expected to be effective for annual periods beginning on or after 1 January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures – issued by the IASB on 9 May 2024. Following EU adoption, the standard is expected to be effective for annual periods beginning on or after 1 January 2027.
- Amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture – in December 2015, the IASB indefinitely postponed the effective date of these amendments until the outcome of its research project on the equity method of accounting is known. The amendments have not yet been adopted by the EU.

Based on the information available, the Group assumes that the issuance of not yet effective Amendment to IFRS 16 Leases – Lease Liability in a Sale and Leaseback, will have following impact on the consolidated statement of financial position as at 1 November 2024:

Consolidated statement of financial position	
in TEUR	**1 November 2024**
Right-of-use assets	14 102
Lease liabilities	14 102
Net impact on equity	**0**

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

(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 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 Group 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 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 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 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 recognized 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 recognized 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 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 Group transfers substantially all the risks and rewards of ownership of the asset, are classified as finance leases. The leased asset is derecognized 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 amortized 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 amortized 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 amortized cost (debt instruments)

The Group measures financial assets at amortized 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 amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized 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 derecognized 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 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 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 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 Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes 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 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 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. The given change 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) 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. Investments in associates are recognized 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 recognized 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 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 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 recognized 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 unrealized 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 recognized directly in profit or loss.

The acquiree's identifiable assets acquired and the liabilities assumed that meet the recognition criteria under IFRS 3 are recognized 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 recognized directly in profit and loss.

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

In case the transaction does not represent the acquisition within a business combination that meets the recognition criteria under IFRS 3 and it involves the acquisition of an asset or a group of assets that do not constitute a business, the individual identifiable assets acquired and liabilities assumed are identified and recognized in accounting. The cost of the asset or group of assets is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

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 recognized 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 realizable value. Net realizable 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 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 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 amortization 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 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 amortization, 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 Consolidated 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 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 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. Methods of depreciation, estimated useful life, and residual value are reassessed annually as at the financial statement's date. As at 31 October 2024, the Company reassessed the estimated useful life of individual items of fixed assets, resulting in adjustments and extensions of estimated useful lives in the following categories of assets:

Estimated useful life	**31.10.2024**	**31.10.2023**
Buildings	30 – 75 years	30 – 45 years
Cableways and ski lifts:		
• Fixed structures and other objects	30 – 50 years	20 – 40 years
• Technology and accessories	15 – 30 years	4 – 12 years
Snowmaking:		
• Water reservoirs, distribution systems and technology	20 – 45 years	20 – 45 years
• End devices (e.g. snow guns)	15 – 20 years	6 – 30 years
Slopes:		
• Snow barriers and terrain modifications	15 – 45 years	15 – 45 years
• Track technology	20 years	20 years
• Snow groomers	8 – 10 years	6 – 8 years
Inventory and others	3 – 6 years	5 – 10 years

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 capitalized 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 recognized in profit or loss.

Intangible assets acquired in a business combination are recognized 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 amortization 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 amortization and impairment losses.

ii. Software and other intangible assets

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

iii. Amortization

Amortization 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 realize 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(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 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 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 recognized 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 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 capitalized 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 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 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 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 payables and other payables

Trade and other payables are stated at amortized cost (see point (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 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 disclosed separately under Contract liabilities.

(u) Revenues from services rendered

The Group recognizes 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 the revenues to the extent, in which it is probable that the economic benefits will flow to the Group, and these revenues can be reliably evaluated. 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 in 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. Effective since 1 November 2024, the loyalty program for the Company's clients has been changed to a system Gopass Cashback based on earning cashback in the form of GoX, which can subsequently be used to purchase additional products and services offered by the Gopass Cashback program's business partners. Starting from 1 November 2024, the Company accounts for cashback in the form of a rebate as a reduction in revenue from the original purchase.

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 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 Group'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 amortized.

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 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 recognizes financial liabilities as other financial liabilities valued at amortized costs. The Group does not recognize 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, lease liabilities, bonds issued, trade payables and other liabilities.

Financial liabilities are recognized 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 recognized through profit or loss during existence of the asset or liability using the effective interest rate method.

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

(z) Fair value estimates

The following notes summarize 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 received

For loans and borrowings received 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 received 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. Therefore, the accounting estimates will be rarely identical with actual figures. Information about assumptions and estimation uncertainties as at 31 October 2024 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 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 2023 and 2024, 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 recognized 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 amortization 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 there is any indication that its goodwill is impaired. If there is no indication that goodwill may be impaired, the Group shall, according to IAS 36, test goodwill recognized at business combination during the current period and goodwill reported in prior periods, for possible impairment on yearly basis as at 31 October, i.e. as at the date of compilation of the annual consolidated financial statements.

On the day of recognition, the acquired goodwill is assigned to individual cash-generating units (CGU) that are expected to benefit from synergies arising in business combinations.

Potential decrease of 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 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, the profit margin ratio (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 23 -year respectively 24-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	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
Calculation assumptions		
Horizon for cash flow projection	23 years	24 years
Growth in terminal year	2 %	3.7 %
Average annual EBITDA/revenue growth	1.9 %	2.6 %
Average annual growth in the number of visitors	0.24 %	0.46 %
Discount rate used during cash flow projection	10.10 %	10.94 %
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	-8 788	-8 554
Decrease of EBITDA by 5 % – resulting impairment	-	-
Increase of discount rate by 0.5 % – impact on value in use	-9 313	-8 671
Increase of discount rate by 0.5 % – resulting impairment	-	-
Marginal decrease of EBITDA	-28.11 %	-18.08 %
Marginal value of discount rate	13.71 %	13.04 %

In 2024 and 2023, 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.

(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 out 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 of 31 October 2024, the Group conducted impairment testing for cash-generating units (CGUs) where indicators of potential impairment were identified due to the failure to meet the business plan. An impairment test was also performed for the High Tatras location, as goodwill is associated with it, as mentioned in point 3(c).

As of 31 October 2024, there was no evidence of impairment of assets for the Ještěd resort, Szczyrkowski Ośrodek Narciarski ("SON" or "Szczyrk"), Sliezsky zábavný park ("SWM" or "Legendia"), Mölltaler and Muttereralm.

The cash flow projections used to determine the value in use cover a base period with subsequent extrapolation for future periods. The group utilized 18 to 24-year projections to reflect the utilization of recently made investments and to approach a normalized level of cash flows for determining the terminal value. Based on this normalized level of cash flows, the terminal value was calculated assuming nominal cash flow growth in line with inflation. The discount rate used in the cash flow projections was calculated as the weighted average cost of capital, taking into account income tax.

Following table summarizes assumptions, result and sensitivity of impairment calculation for CGU tested for impairment as at 31 October 2024:

In TEUR	**Ještěd**	**SON**	**SWM**	**Mölltaler**	**Muttereralm**
Calculation assumptions					
Horizon for cash flow projection	23 years	24 years	22 years	18 years	18 years
Growth in terminal year	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Average annual EBITDA/revenue growth	2.4 %	2.5 %	2.2 %	2.2 %	2.2 %
Average annual growth in the number of visitors	2.2 %	2.2 %	1.2 %	1.2 %	2.1 %
Discount rate used during cash flow projection	9.7 %	11.7 %	12.2 %	9.5 %	9.5 %
Result and sensitivity					
Increase / (decrease) of impairment for the period	-	-	2 022	3 210	1 859
Impairment as at the end of the period	-	-	-19 119	-	-
Recoverable amount - in case of impairment identification	-	-	-	-	-
Decrease of EBITDA by 5 % – impact on value in use	-425	-2 905	-698	-654	-300
Decrease of EBITDA by 5 % – resulting impairment	-	-2 905	-	-	-
Increase of discount rate by 0.5 % – impact on value in use	-380	-2 659	-489	-416	-131
Increase of discount rate by 0.5 % – resulting impairment	-	- 2 456	-	-	-
Marginal decrease of EBITDA	-12.66 %	-0.1 %	-0.1 %	-13.32 %	-16.39 %
Marginal value of discount rate	11.28 %	11.71 %	12.21 %	11.99 %	14.56 %

As of 31 October 2023, there was no evidence of impairment of assets for the locations Low Tatras, Tatralandia, the Szczyrkowski Ośrodek Narciarski ("SON" or "Szczyrk"), and Ještěd. In the location of Sliezsky zábavný park ("SWM" or "Legendia"), Muttereralm, and Mölltaler/Ankogel, impairment of assets is reflected in the Group's consolidated financial statements by recognizing impairment of right-of-use assets related to the CGU SWM and by recognizing impairment of land, buildings, and equipment related to the CGUs 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 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 2023:

In TEUR	Nízke Tatry	Tatra-landia	SON	SWM	Ještěd	Mölltaler /Ankogel	Muttere ralm
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 %	-	-

The group, based on the results of projected cash flows, proceeded with dissolving the provisions for assets created in previous accounting periods, for the purpose of reflecting the resulting value in use. The development of the impairment during the accounting period is shown in the overview below:

in TEUR	31.10.2024	31.10.2023
Balance as at 1.11.2023 / 1.11.2022	26 469	21 682
Creation / (release) of impairment allowance - SWM	- 2 022	196
Creation / (release) of impairment allowance - Muttereralm	-1 859	1 122
Creation / (release) of impairment allowance - Mölltaler /Ankogel	-3 210	3 210
Foreign exchange difference	-	259
Balance as at 31.10.2024/31.10.2023	**19 378**	**26 469**

For more information regarding the actual amount of impairment to non-current assets as at 31 October 2023 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 market prices included in Level 1 that are comparable for the asset or liability, either directly (i.e. as prices of comparable instruments) or indirectly (i.e. 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 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		**Carrying value**		**Fair value**	
		31.10.2024	**31.10.2023**	**31.10.2024**	**31.10.2023**
Financial assets					
Loans provided	20	2 573	2 671	2 246	2 256
Total		**2 573**	**2 671**	**2 246**	**2 256**

in TEUR		**Carrying value**		**Fair value**	
		31.10.2024	**31.10.2023**	**31.10.2024**	**31.10.2023**
Financial liabilities					
Bonds issued	34	-	261 264	-	259 746
Total		**-**	**261 264**	**-**	**259 746**

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 – Consolidated statement of profit and loss

	Mountain resorts		Leisure parks		Hotels		Dining		Sports services and stores		Real estate		Golfs		Main segments - TOTAL		Other		TOTAL	
in TEUR	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**
	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*
Revenue	78 715	70 832	26 209	23 344	62 457	55 962	29 908	27 474	7 881	6 724	902	3 188	780	855	206 852	188 379	-	-	**206 852**	**188 379**
Material and goods consumption	-4 651	-3 607	-1 558	-1 382	-8 838	-8 555	-7 848	-7 610	-2 197	-1 958	-212	-1 530	-26	-45	-25 330	-24 687	-	-	**-25 330**	**-24 687**
Purchased services	-19 759	-19 074	-8 585	-6 761	-20 921	-18 731	-5 323	-4 899	-1 134	-990	-650	-386	-293	-627	-56 665	-51 468	-	-	**-56 665**	**-51 468**
Personnel expenses	-21 539	-17 992	-5 737	-5 592	-21 839	-18 844	-11 004	-9 142	-2 872	-2 358	-515	-240	-166	-254	-63 672	-54 422	-	-	**-63 672**	**-54 422**
Other operating expenses	-922	-618	-356	-304	-792	-715	-311	-296	-86	-72	-30	-10	-28	-28	-2 525	-2 043	-	-	**-2 525**	**-2 043**
Other operating income	224	299	86	37	281	2 824	170	165	14	10	136	94	20	18	931	3 447	-	-	**931**	**3 447**
Gain / (Loss) on revaluation of investment property	-	-	-	-	-	-	-	-	-	-	41	-	-	-	41	-	-	-	**41**	**-**
Impairment losses to financial assets	-	93	-	31	-1 970	18	-	10	-	8	-	-	-	-	-1 970	160	-	-	**-1 970**	**160**
Depreciation and amortization	-11 428	-13 427	-4 698	-5 010	-4 249	-4 457	-2 009	-1 899	-529	-541	-276	-246	-29	-32	-23 218	-25 612	-25	-25	**-23 243**	**-25 637**
Depreciation of right-of-use assets	-3 619	-3 629	-820	-1 205	-654	-548	-181	-171	-49	-45	-	-	-211	-246	-5 534	-5 844	-	-	**-5 534**	**-5 844**
Release / (creation) of impairment to Property, plant and equipment and Right-of-use assets	5 069	-4 331	2 022	-197	-	-	-	-	-	-	-	-	-	-	7 091	-4 528	-	-	**7 091**	**-4 528**
Interest income calculated using effective interest rate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 886	238	**1 886**	**238**
Financing cost	-17 707	-11 262	-3 861	-1 552	-6 940	-7 338	-3 017	-4 107	-783	-1 469	-681	-1 846	-140	-	-33 129	-27 574	-	-	**-33 129**	**-27 574**
Net profit / (loss) on financial operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 077	6 889	**1 077**	**6 889**
Profit / (loss) from disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-920	-	**-920**	**-**
Share of profit / (loss) on equity-accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-484	-355	**-484**	**-355**
Profit/(loss) of the segment before tax	**4 383**	**-2 716**	**2 702**	**1 409**	**-3 465**	**-384**	**385**	**-475**	**245**	**-691**	**-1 285**	**-976**	**-93**	**-359**	**2 872**	**-4 192**	**1 534**	**6 747**	**4 406**	**2 555**
Current income tax																			**-1 052**	**-1 919**
Deferred income tax																			**-4 775**	**-1 184**
Profit / (loss) for the period																			**-1 421**	**-548**

	Mountain resorts		Leisure parks		Hotels		Dining		Sports services and stores		Real estate		Golfs		Main segments - TOTAL		Other		TOTAL	
in TEUR	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**
Goodwill	23 770	23 770	-	-	3 390	3 390	-	-	-	-	-	-	-	-	27 160	27 160	-	-	**27 160**	**27 160**
Intangible assets	3 878	3 963	3 404	3 457	598	611	158	168	48	57	21	10	1	5	8 108	8 271	-	-	**8 108**	**8 271**
Property, plant and equipment	234 945	247 930	66 046	66 058	88 168	77 259	15 976	17 242	1 956	2 113	2 967	1 224	144	158	410 202	411 984	1 713	2 582	**411 915**	**414 566**
Right-of-use assets	49 984	41 500	854	1 124	5 202	7 161	1 098	1 803	76	745	-	-	6 176	6 685	63 390	59 018	-	-	**63 390**	**59 018**
Investments property	-	-	-	-	-	-	-	-	-	-	7 189	6 663	-	-	7 189	6 663	-	-	**7 189**	**6 663**
Inventory	1 524	1 533	661	634	1 184	975	166	747	1 660	1 448	7 515	3 958	161	176	12 871	9 471	-	-	**12 871**	**9 471**
Trade receivables	2 612	2 909	576	763	611	638	57	220	84	15	73	839	153	153	4 166	5 537	-	-	**4 166**	**5 537**
Asset held for sale	1 283	-	-	-	-	-	-	-	-	-	-	-	-	-	1 283	-	-	-	**1 283**	**-**
Equity-accounted investees	10 216	11 245	-	-	-	-	-	-	-	-	-	-	-	1 974	10 216	13 219	-	-	**10 216**	**13 219**
Other receivables	1 218	1 124	298	495	578	453	192	25	179	13	576	-	183	234	3 224	2 344	-	-	**3 224**	**2 344**
Financial investments	3	3	-	-	-	-	-	-	-	-	-	-	-	-	3	3	134	36	**137**	**39**
Other assets	3 445	3 685	612	865	3 915	2 444	287	40	115	143	1 225	-	-	475	9 599	7 652	755	-	**10 354**	**7 652**
Loans provided	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 573	2 671	**2 573**	**2 671**
Cash and cash equivalents	16 023	8 821	6 213	4 539	7 473	2 902	3 644	969	1 241	275	5 675	92	292	129	40 561	17 727	-	-	**40 561**	**17 727**
Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 928	5 296	**4 928**	**5 296**
Corporate income tax asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31	-	**31**	**-**
Assets total	**348 901**	**346 483**	**78 664**	**77 935**	**111 119**	**95 833**	**21 578**	**21 214**	**5 359**	**4 809**	**25 241**	**12 786**	**7 110**	**9 989**	**597 972**	**569 049**	**10 134**	**10 585**	**608 106**	**579 634**
Loans and borrowings long-term	-	72 517	-	21 488	-	9 020	-	2 263	-	1 132	-	-	-	-	-	106 420	265 740	-	**265 740**	**106 420**
Lease liabilities	45 391	42 763	14 824	14 655	5 361	5 107	1 176	1 852	77	746	-	-	6 723	7 155	73 552	72 278	-	-	**73 552**	**72 278**
Other long-term liabilities	10 683	10 214	30	-	-	-	-	-	-	-	-	-	-	-	10 713	10 214	-	2 527	**10 713**	**12 741**
Loans and borrowings short-term	-	9 441	-	1 410	-	590	-	14	-	7	-	-	-	-	-	11 462	11 473	-	**11 473**	**11 462**
Trade payables and other payables	14 575	13 530	3 478	3 181	5 377	5 557	1 673	1 854	482	493	2 160	1 062	401	401	28 146	26 078	-	-	**28 146**	**26 078**
Other current liabilities	5 427	4 652	418	126	1 473	217	669	69	159	16	167	10	148	146	8 461	5 236	747	747	**9 208**	**5 983**
Contract liabilities	7 164	13 318	1 453	1 511	9 404	4 872	307	-	80	-	6 000	109	-	-	24 408	19 810	-	-	**24 408**	19 810
Provisions	1 121	518	7	5	15	21	7	10	1	2	1	1	-	32	1 152	589	-	-	**1 152**	**589**
Bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	261 264	**-**	**261 264**
Deferred tax liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34 079	29 597	**34 079**	**29 597**
Corporate income tax liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	771	1 516	**771**	**1 516**
Total liabilities	**84 361**	**166 953**	**20 210**	**42 376**	**21 630**	**25 384**	**3 832**	**6 062**	**799**	**2 396**	**8 328**	**1 182**	**7 272**	**7 734**	**146 432**	**252 087**	**312 810**	**295 651**	**459 242**	**547 738**

Information about operating segments – Consolidated statement of profit and loss

Revenue

in TEUR	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
Slovak Republic	81%	81%
Austria	6%	6%
Republic of Poland	9%	9%
Czech Republic	4%	4%
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	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
Slovak Republic	296 186	301 063
Austria	29 828	26 095
Republic of Poland	78 948	80 132
Czech Republic	6 953	7 276
Total	**411 915**	**414 566**

The total amount of deferred tax liability of TMR Group is shown in the table below:

Deferred tax liability

in TEUR	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
Slovak Republic	31 376	24 582
Austria	3 867	3 528
Republic of Poland	-	615
Czech Republic	773	872
Total	**36 016**	**29 597**

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 15 December 2023, the company GOPASS Property a.s. was established with a registered capital of EUR 110 thousand, located in the Czech Republic, with 100% ownership held by the company GOPASS SE.

On 7 March 2024, the company GOPASS Property SK, s.r.o. was established, located in the Slovak Republic, with a registered capital of EUR 5 thousand, with 100% ownership held by GOPASS Property a.s.

On 28 March 2024, the Group sold its 73.7% stake in the company Korona Ziemi Sp. Z o.o. The consideration transferred amounted to EUR 231 thousand and was settled in cash. The transaction resulted in a loss from disposal of the subsidiary of EUR 855 thousand.

On 10 April 2024, the company GOPASS Property a.s. acquired a 100% stake in the company GOPASS Property PL Sp. z o.o., located in Poland with registered capital of EUR 1 thousand for a consideration transferred of EUR 341 thousand.

On 27 April 2024, the company JASNÁ CENTRAL, s.r.o. was established with a registered capital of EUR 5 thousand, with 100% ownership held by the Company.

On 26 June 2024, the company Ankogel Bergbahnen BE GmbH was established with a registered capital of EUR 10 thousand, with 100% ownership held by Mölltaler Gletscherbahnen GmbH & Co KG.

On 6 August 2024, the company CENTRAL JASNÁ Property, a.s. was established with a registered capital of EUR 28 thousand, with 100% ownership held by the Company.

On 21 August 2024, the TMR Group acquired a 100% stake in the company FORESPO HOREC A SASANKA a.s., with a registered capital of EUR 2,625 thousand for the consideration of EUR 4,654 thousand for the purpose of acquiring real estate. The company was subsequently renamed to HOTEL SASANKA Property, a.s.

On 18 October 2024, an 85% stake in the company GOPASS Property a.s., located in the Czech Republic, which was previously 100% owned by GOPASS SE, was sold for the consideration of EUR 8.5 thousand. As part of the transaction, the companies GOPASS Property SK, s.r.o. and GOPASS Property PL Sp. z o.o., which are 100% subsidiaries of GOPASS Property a.s., were also deconsolidated from the TMR group.

On 31 October 2024, the Company sold its 100% stake in the company TMR Finance CR, a.s. The proceeds amounted to 1 euro.

During the accounting period ending on 31 October 2024, the Group increased its stake in the subsidiary Szczyrkowski Ośrodek Narciarski S.A. (hereinafter referred to as "SON"), with the current stake as of 31 October 2024 being 98.6%.

in TEUR	
Carrying amount of non-controlling interest acquired	-412
Consideration paid to non-controlling interest	-18
Increase / (decrease) of Equity attributable to holders of interest in the parent company's equity	**-430**

The table below provides an overview of the subsidiaries acquired in 2024:

in TEUR	**Date of acquisition (acquisition of control)**	**Acquisition price**	**Increase/ (Decrease) of cash**	**Share of Group after acquisition %**
Acquisition of subsidiaries				
GOPASS Property PL Sp. z o. o.	10.4.2024	341	51	100%
HOTEL SASANKA Property, a.s.	21.8.2024	4 654	159	100%

The table below provides an overview of the acquisition of shares in the subsidiaries GOPASS Property a.s., GOPASS Property SK, s.r.o., and GOPASS Property PL Sp. z o.o., which were subsequently sold in 2024:

	Country	**Method**	**Date of acquisition / establishement**	**Disposal date**	**Consol. %**	**Control**
Subsidiaries						
GOPASS Property, a.s.	Czech Republic	full	15.12.2023	18.10.2024	100	indirect
GOPASS Property SK, s.r.o.	Slovakia	full	7.3.2024	18.10.2024	100	indirect
GOPASS Property PL Sp. z o. o.	Poland	full	10.4.2024	18.10.2024	100	indirect

In the table below is an overview of the sold subsidiaries in 2024:

in TEUR	**Date of disposal (loss of control)**	**Portion disposed %**	**Sale price**	**Net increase of cash flows**	**Share of Group before disposal %**
Disposal of subsidiaries					
Korona Ziemi Sp. z o.o.	28.3.2024	73.7%	231	228	73.7%
GOPASS Property, a.s. (including GOPASS Property SK, s.r.o. and GOPASS Property PL Sp. z o.o.)	18.10.2024	85%	9	-408	100%
TMR Finance CR, a.s.	31.10.2024	100%	-	-	100%

The disposals resulting from the sale of stakes in the subsidiaries Korona Ziemi Sp. Z o.o., GOPASS Property a.s., and TMR Finance CR, a.s. in 2024 had the following effect on the assets and liabilities of the Group:

in TEUR	**Korona Ziemi Sp. z o.o.**	**GOPASS Property, a.s. (including GOPASS Property SK, s.r.o. and GOPASS Property PL Sp. z o.o.)**	**TMR Finance CR, a.s.**	**Total**
Intangible assets	-96	-	-	**-96**
Property, plant and equipment	-870	-1 012	-	**-1 882**
Deferred tax asset	-98	-	-	**-98**
Trade receivables	-	-62	-	**-62**
Loans provided	-	-1 129	-	**-1 129**
Cash and cash equivalents	-4	-408	-	**-412**
Other assets	-9	-3	-	**-12**
Trade payables	1	92	-	**93**
Other current liabilities	6	2 266	-	**2 272**
Net identified assets and liabilities	**-1 070**	**-256**	**-**	**-1 326**
Non-controlling interest	56	-	-	**56**
Financial investments	-	98	-	**98**
Foreign currency translation reserve	-72	8	-6	**-70**
Consideration received	231	9	-	**240**
Gain / (loss) from disposal of subsidiary	**-855**	**-141**	**-6**	**-1 002**
Consideration received, cash settlement - non-cash transaction	231	-	-	**231**
Cash disposal	-4	-408	-	**-412**
Net cash income / (expenditure)	**227**	**-408**	**-**	**-181**

<u>Changes up to 31 October 2023:</u>

On 1 November 2022, a merger took place between the companies EUROCOM Investment, s.r.o. and WORLD EXCO, s.r.o., where the legal successor became EUROCOM Investment s.r.o.

On 8 November 2022, the company GOPASS SE was established as an organizational unit in Slovakia. It is a business of a foreign entity, a European company - a subsidiary of GOPASS SE.

As of 1 April 2023, the effects of the cross-border merger of the company GOPASS a.s. as the dissolved company with the successor company GOPASS SE took place. The effective date of the merger is 1 November 2022. The company GOPASS a.s. was dissolved as a result of the 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 activities, with a registered capital of EUR 5 thousand, with the Company being the sole shareholder.

On 26 September 2023, the company Štrbské Pleso resort, s.r.o. was established with a registered capital of EUR 5 thousand, with 100% ownership held by the Company. The company was established 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. Additionally, during the accounting period ending on 31 October 2023, there were no disposals or sales of stakes in companies.

(b) Associates and joint ventures

On 30 September 2024, a 50% stake of Tatry mountain resorts ČR, a.s. in the company OSTRAVICE HOTEL, a.s. was sold. The sale price of CZK 58,617 thousand (EUR 2,328 thousand) was fully settled by offsetting with the buyer's receivable amounting to CZK 63,774 thousand (EUR 2,533 thousand).

in TEUR	**OSTRAVICE HOTEL a.s. (50% share)**
Sale price	2 328
Value of 50% share in OSTRAVICE HOTEL a.s. as at 30 September 2024	-2 280
Exchange rate difference	34
Profit / (loss) from the sale of the joint venture	**82**
Consideration received, settled in cash - non-cash transaction	-205
Net cash inflow / (outflow)	**-205**

In the following table are selected total statutory financial data as of the date of sale (period from 1 November 2023 to 30 September 2024) for the company OSTRAVICE HOTEL, a.s.:

in TEUR	**OSTRAVICE HOTEL a.s**
Net profit / (loss) for the period from 1 November 2023 to 30 September 2024	-33
Assets as at 30 September 2024	4 430
Liabilities as at 30 September 2024	-1 396
Equity as at 30 September 2024	**3 034**

More information about the total amount of financial investments can be found in point 24 – Financial investments.

In the following table are selected financial data for the period from 1 November 2023 to 31 October 2024 for associated and joint ventures, along with the carrying amount of the Group's share in these entities:

2024

in TEUR	**MELIDA, a.s. (25% share)**	**OSTRAVICE HOTEL a.s. (50% share)**
Net profit / (loss) for the year	-1 868	-33
Assets	71 993	-
Liabilities	-31 128	-
Equity	**40 865**	**-**

in TEUR	**MELIDA, a.s. (25% share)**	**OSTRAVICE HOTEL a.s. (50% share)**
Share of equity as at 1 November 2023	**11 067**	**2 152**
Increase in other capital funds	-	144
Share of the profit / (loss)	-467	-17
Dividends received during the year	-	-
Foreign exchange difference	-384	1
Sale of 50% share in OSTRAVICE HOTEL a.s.	-	-2 280
Share of equity as at 31 October 2024	**10 216**	**-**

In the period from 1 November 2022 to 31 October 2023, the Group did not carry out any transactions related to associated companies and joint ventures.

In the following table are selected financial data for the period from 1 November 2022 to 31 October 2023 for associated and joint ventures, along with the carrying amount of the Group's share in these entities:

2023

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**
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**

6. Revenue

in TEUR	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
Low Tatras	57 380	52 276
High Tatras	52 518	47 194
Szczyrk	12 386	10 751
Legendia	6 835	6 329
Tatralandia	22 809	20 608
Bešeňová	34 066	27 100
Ještěd	2 554	2 742
Mölltaler / Ankogel	8 577	6 930
Muttereralm	4 451	3 701
Real estate	1 089	2 780
Ostravice	2 228	2 166
Kaskáda	1 697	1 952
Other	262	3 850
Total	**206 852**	**188 379**

7. Material and goods consumption

in TEUR	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
Material in hotels and restaurant facilities	-13 532	-12 075
Goods	-2 937	-3 014
Cost of real estate sold	-169	-1 517
Fuels	-1 608	-1 491
Material for repair and maintenance	-2 094	-1 431
Material and goods – other	-4 990	-5 159
Total	**-25 330**	**-24 687**

8. Purchased services

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Energy consumption	-16 162	-20 029
Advertisement expenses	-5 149	-3 866
Rental costs (cost of premises) and others	-8 696	-5 196
Other administrative expenses	-4 342	-2 939
Communication expenses	-2 908	-2 567
Repairs and maintenance expenses	-5 152	-4 872
Legal advice expenses	-2 633	-2 928
Services related to owned premises	-829	-919
Transport, accommodation, travel expenses	-1 461	-1 040
Laundry and cleaning costs	-2 701	-2 198
Music and animation costs	-1 055	-1 117
Guard and security service costs	-354	-369
Accounting and audit costs	-242	-479
Other purchased services	-6 024	-3 767
State aid related to rental and other costs	1 043	818
Total	**-56 665**	**-51 468**

The Group uses the services of KPMG Slovensko spol. s r. o., audit company, to audit individual financial statements of companies Tatry mountain resorts, a.s. and EUROCOM Investment, s.r.o. and consolidated financial statements of the Group. The expense of these items in the period from 1 November 2023 to 31 October 2024 amounted to EUR 267 thousand (for the period ending 31 October 2023: EUR 235 thousand) for auditing of the regular financial statements. Similarly, for the period ending 31 October 2024, 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 2023 to 31 October 2024 amounted to EUR 69 thousand (for the period ending 31 October 2023: EUR 53 thousand).

9. Personnel expenses

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Wages and salaries	-38 860	-31 763
Personnel leasing	-8 850	-8 080
Social security (compulsory)	-14 191	-12 105
Remuneration of members of key management and Supervisory Board	-1 767	-2 505
Other social expenses	-4	-22
State aid related to wages and salaries	-	53
Total	**-63 672**	**-54 422**

In the period between 1 November 2023 and 31 October 2024, the average number of Group employees was 1,527, of which management 19 (between 1 November 2022 and 31 October 2023, it was 1,456 employees, of which management 20). During the year, the Group used the services of employment agencies for short-term personnel leasing. In the period between 1 November 2023 and 31 October 2024, it was 702 employees in average (between 1 November 2022 and 31 October 2023: 746 employees).

The table below provides an overview of the Group's key management remuneration for the period from 1 November 2023 to 31 October 2024:

in TEUR

Remuneration of members of key management	**Base remuneration**	**Extraordinary bonuses**	**Variable component of renumeration**	**Total**
Board of Directors	240	-	947	1 187
Supervisory Board	63	-	-	63
Top management	517	-	-	517
Audit Committee*	-	-	-	-
Total	**820**	**-**	**947**	**1 767**

*the audit committee function is overseen by the supervisory board

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	**Base 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**

For the year ending 31 October 2024, base remuneration for top management amounted EUR 517 thousand (from 1 November 2022 and 31 October 2023: EUR 332 thousand). Extraordinary remuneration was paid to members of the top management in the total amount of EUR 0 thousand (from 1 November 2022 to 31 October 2023: EUR 200 thousand).

Members of the Board of Directors, in accordance with the Rules of Remuneration of Company Bodies of the Parent Company dated 31 May 2024 (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 2024 fixed remuneration component was paid out in the amount of EUR 240 thousand (from 1 November 2022 to 31 October 2023: EUR 206 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 947 thousand (from 1 November 2022 to 31 October 2023: EUR 1,688 thousand) is disclosed as a provision for the variable remuneration component of the members of the Board of Directors.

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 2024, basic remuneration totaled EUR 63 thousand (in the period between 1 November 2022 and 31 October 2023: EUR 79 thousand).

10. Other operating expenses

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Insurance (property, automobiles, travel cost)	-870	-881
Fees and commissions	-1 130	-973
Shortages and losses	-163	-167
Other operating expenses	-362	-22
Total	**-2 525**	**-2 043**

11. Other operating income

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Claims paid by insurance company	222	229
Other operating income	616	1 216
Gain on sale of assets	93	2 002
Total	**931**	**3 447**

Other operating income in the financial year 2024 consists mainly of income from subsidies received to cover operating expenses in the amount of EUR 151 thousand (from 1 November 2022 to 31 October 2023: EUR 391 thousand). This item also includes revenues related to the allowance for the provision of practical education in the dual education system in the amount of EUR 76 thousand (from 1 November 2022 to 31 October 2023: EUR 68 thousand).

12. Finance income and expenses

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Interest income calculated using effective interest rate	1 886	238
Financing cost	-33 129	-27 574
Net profit / (loss) on financial operations	1 077	6 889
Total	**-30 166**	**-20 447**

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	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
Interest expense related to loans and borrowings	-11 912	-9 210
Interest expense from bonds issued	-17 334	-14 952
Interest expense from leasing	-3 883	-3 418
Income associated with hedging derivative transaction SWAP	-	6
Financing costs total	**-33 129**	**-27 574**

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 2023 to 31 October 2024, the Group capitalized interest expenses into assets with a total value of EUR 54 thousand (from 1 November 2022 to 31 October 2023, the Group capitalized interest expenses into the assets in amount of EUR 178 thousand). Interest rate used for interest expense capitalization was 7 % in the period from 1 November 2023 to 31 October 2024 (from 1 November 2022 to 31 October 2023: 7.29%).

in TEUR	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
Cost of administration of financial instruments	-1 513	-273
Net Foreign exchange gains	2 590	7 162
Net profit / (loss) on financial operations total	**1 077**	**6 889**

In the period from 1 November 2023 to 31 October 2024, the Group disclosed a profit on financial operations of EUR 1,077 thousand (from 1 November 2022 to 31 October 2023 a profit of EUR 6,889 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 (2023: The profit from financial instruments was primarily due to the strengthening of the Polish zloty, which resulted in the revaluation of loans received in euros by Polish companies).

13. Current and deferred income tax

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

Effective from 1 January 2025, a new 24% corporate income tax rate will apply to taxable income exceeding EUR 5,000 thousand. For the calculation of deferred income tax for entities with a fiscal year accounting period, the new tax rate will apply only to accounting periods beginning on or after 1 January 2025. As a result, the Company used the following tax rates for the calculation of deferred income tax as of 31 October 2024:

- 21% for calculating deferred tax on temporary differences arising in Slovakia that are expected to be settled within one year,
- 24% for calculating deferred tax on temporary differences arising in Slovakia that are expected to be settled in later periods.

To calculate deferred tax from temporary differences incurred in Poland the Group used a 19% tax rate. In Czech Republic, the Group used a 21% tax rate (the tax rate increased from 19% to 21% - the effective date of change is 1 January 2024). The Group used a 23% (the tax rate decreased from 24% to 23% - the effective date of change is 1 January 2024) 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	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
Current tax:		
Tax of current accounting period	-994	-1 908
Withholding tax on interest	-58	-11
	-1 052	**-1 919**
Deferred tax:		
Posting and release of temporary differences	-8 009	-1 184
Change of tax rate	3 234	-
	-4 775	**-1 184**
Total income tax	**-5 827**	**-3 103**

Reconciliation of the effective tax rate

in TEUR	**1.11.2023 - 31.10.2024**		**1.11.2022 - 31.10.2023**	
	%		**%**	
Profit / (loss) before taxes		**4 406**		**2 555**
Tax rate	21%	925	21%	537
Tax non-deductible expenses	56%	1 909	46%	1 181
Income not subject to tax	-1%	-55	-3%	-71
Current tax: withholding tax on interest	1%	58	0%	11
Tax losses claimed during the period	-14%	-611	-11%	-282
Deferred tax asset not recognized	45%	589	74%	1 902
Impact of Polish, Czech and Austrian tax rate	-5%	-222	-7%	-175
Change in the tax rate	73%	3 234	0%	-
Total	**176%**	**5 827**	**121%**	**3 103**

Income tax reported through other comprehensive income:

	1.11.2023 - 31.10.2024			**1.11.2022 - 31.10.2023**		
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
Other comprehensive income	**-**	**-**	**-**	**3 294**	**692**	**2 602**

Movements of deferred tax liability (net) during 2024 and 2023

2024

in TEUR	Balance as at 1 November 2023	Reported in profit and loss statement	Reported in other comprehensive income	Effect of foreign exchange difference	Disposal of subsidiaries	Balance as at 31 October 2024
Property, plant and equipment, and intangible assets	-26 820	-4 610	-	-17	-	-31 447
Investment property	-439	-464	-	-	-	-903
Losses on impairment of trade receivables and other assets	219	582	-	1	-	802
Cash Flow hedge	-	-	-	-	-	-
Provisions and liabilities	1 407	433	-	40	-10	1 870
Leases (IFRS 16)	-66	-22	-	-	-	-88
Tax losses	370	-375	-	5	-	-
Other temporary differences	1 028	-319	-	-6	-88	615
Total, net	**-24 301**	**-4 775**	**-**	**23**	**-98**	**-29 151**

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**

See also Note 18 - Deferred tax asset, deferred tax liability.

14. A. 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 1.11.2022	**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 Investment property	747	-	-	747
Transfer from Right-of-use asset	277	1 899	-	2 176
Transfers within Property, plant and equipment	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**
Opening balance as at 1.11.2023	**404 736**	**194 657**	**17 951**	**617 344**
Additions	2 419	3 435	6 919	12 773
Additions due to acquisition of assets that do not constitute business combination	5 025	21	370	5 416
Disposals	-440	-5 541	-2 025	-8 006
Disposals due to sale of subsidiaries	-1 888	-219	-	-2 107
Transfer to inventory	-1 109	-	-	-1 109
Transfer to Investment property	-189	-	-	-189
Transfer from Right-of-use assets	484	632	-	1 116
Transfer to Assets held for sale	-	-1 701	-	-1 701
Transfers within Property, plant and equipment	621	49	-670	-
Foreign exchange difference	1 579	-7	16	1 588
Balance as at 31.10.2024	**411 238**	**191 326**	**22 561**	**625 125**
Accumulated depreciation and losses from impairment of assets				
Opening balance as at 1.11.2022	**-100 229**	**-85 118**	**-**	**-185 347**
Depreciation of current accounting period	-14 087	-10 579	-	-24 666
Disposal	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 asset	-120	-1 001	-	-1 121
Transfers within Property, plant and equipment	95	-95	-	-
Foreign exchange difference	-1 868	-599	-	-2 467
Balance as at 31.10.2023	**-103 285**	**-99 493**	**-**	**-202 778**
Opening balance as at 1.11.2023	**-103 285**	**-99 493**	**-**	**-202 778**
Depreciation of current accounting period	-13 594	-8 799	-	-22 393
Disposal	136	5 190	-	5 326
Disposals due to sale of subsidiaries	68	157	-	225
Transfer to inventory	114	-	-	114
Release of impairment losses	3 697	3 394	-	7 091
Transfer from Investment property	11	-	-	11
Transfer to Assets held for sale	-	418	-	418
Transfer from Right-of-use assets	-298	-355	-	-653
Foreign exchange difference	-643	72	-	-571
Balance as at 31.10.2024	**-113 794**	**-99 416**	**-**	**-213 210**
Carrying value				
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**
As at 1.11.2023	**301 451**	**95 164**	**17 951**	**414 566**
As at 31.10.2024	**297 444**	**91 910**	**22 561**	**411 915**

In the period from 1 November 2023 to 31 October 2024, the Group carried out investments amounting to EUR 18,189 thousand. From the total value the Group invested EUR 14,220 thousand in Slovakia. The Group invested EUR 4,580 thousand into the continuation of the construction of the Centrum Jasná complex, EUR 705 thousand for the acquisition of land in the High Tatras, EUR 236 thousand for improving snowmaking in the High Tatras, EUR 229 thousand in IT infrastructure, and EUR 228 thousand for the reconstruction of the swimming pool hall. The Group also carried out other smaller operational investments across its mountain resorts and water parks. The Group also acquired real estate – Hotel Sasanka in Tatranská Lomnica – valued at EUR 4,390 thousand by purchasing a share in the company FORESPO HOREC A SASANKA a.s., which was not assessed as a business combination in accordance with IFRS 3 rules. For more information, see Note 2(g, vi.) – Acquisition method.

In the Republic of Poland, the Group invested EUR 1,965 thousand in the period from 1 November 2023 to 31 October 2024, 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 416 thousand, invested EUR 198 thousand in other smaller investments and EUR 96 thousand in the development of the existing bike park. In the Legendia resort in Chorzów, the Group made various operational investments worth EUR 116 thousand. The Group also acquired real estate – Villa Gronie in Szczyrk – valued at EUR 1,026 thousand by purchasing a share in the company GOPASS Property PL Sp. z o. o., which was not assessed as a business combination in accordance with IFRS 3 rules. For more information, see Note 2(g, vi.) – Acquisition method.

In the Czech Republic, the Group invested a total of EUR 469 thousand in the period from 1 November 2023 to 31 October 2024. Within the golf segment at the Kaskáda resort, the Group invested EUR 256 thousand in the renovation of hotel rooms and the equipment of the conference center. In the resorts of Ještěd and Ostravice, the Group carried out minor operational investments.

In Austria, the Group invested in the period from 1 November 2023 to 31 October 2024 a total of EUR 1,535 thousand, of which EUR 528 thousand in Muttereralm resort and EUR 975 thousand in Mölltaler. At the Muttereralm resort, the Group invested EUR 171 thousand into the ski resort equipment, EUR 73 thousand into the access system and also made other smaller investments. In Mölltaler resort, the Group invested EUR 472 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 463 thousand (from 1 November 2022 to 31 October 2023: EUR 1,055 thousand) due to the termination of finance leases during the period from 1 November 2023 to 31 October 2024.

In the period from 1 November 2022 to 31 October 2023, the Group made investments totaling EUR 21,859 thousand. Of this amount, the Group invested EUR 18,442 thousand in Slovakia. The Group invested EUR 7,408 thousand in the continuation of the construction of the Jasná Center complex, EUR 5,636 thousand in the completion of the Biela Púť – Priehyba cable car, EUR 933 thousand in the renovation of the wellness area at the Grandhotel Starý Smokovec, EUR 449 thousand in the reconstruction of apartments in Bešeňová, EUR 409 thousand in IT infrastructure, and EUR 275 thousand in the reconstruction of the slide tower at Aquapark Tatralandia. The Group also carried out other smaller 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. In the Szczyrk resort, the Group capitalized costs related to tree removal fees associated with the investment in the ski resort renovation amounting to EUR 672 thousand, invested EUR 172 thousand in the development of the existing bike park, EUR 170 thousand in equipment for slope grooming machines, EUR 103 thousand in the reconstruction of the cable car building, and also carried out other smaller investments. In the Legendia resort in Chorzów, the Group made various operational investments amounting to 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 EUR 367 thousand in the completion of the investment project "Nová Skalka" and financed various smaller operational investments amounting to EUR 142 thousand. Within the golf segment in the Ostravice and Kaskáda resorts, the Group invested EUR 170 thousand in minor investment projects.

In Austria, the Group invested a total of EUR 1,059 thousand in the period from 1 November 2022 to 31 October 2023, of which EUR 306 thousand was in the Muttereralm resort and EUR 753 thousand in the Mölltaler and Ankogel resorts. In the Muttereralm resort, the Group invested EUR 116 thousand in access systems and also carried out other smaller investments. In the Mölltaler and Ankogel resorts, the Group invested EUR 448 thousand in the cable car and the expansion of ski trails, and also carried out other smaller investments.

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).

Impairment loss

For the period ending as at 31 October 2024, the impairment test did not indicate the need to reduce the value of fixed assets. The Group proceeded with the reversal of the impairment allowance for fixed assets in the amount of EUR 2,022 thousand for the SWM location (CGU) in Republic of Poland, EUR 1,859 thousand for the Muttereralm location (CGU) in Austria, and EUR 3,210 thousand for the Mölltaler/Ankogel location (CGU) in Austria, which were created in previous accounting periods.

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, of which EUR 176 thousand related to land and buildings, a value of EUR 20 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, of which EUR 294 thousand related to land and buildings, the value of EUR 828 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	**31.10.2024**	**31.10.2023**
Natural disaster and vandalism	747 940	766 223
General machinery risks	58 776	50 610
Liability for damage	53 815	53 268

Security

As at 31 October 2024, Property, plant and equipment in the amount of EUR 271,715 thousand were used to secure bank loans(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).

Capitalized borrowing costs

As at 31 October 2024, the Group capitalized interest expense into assets in the amount of EUR 54 thousand (as at 31 October 2023: the Group capitalized interest expense into assets in the amount of EUR 178 thousand).

14. B. Assets held for sale

in TEUR	**31.10.2024**	**31.10.2023**
Assets held for sale	1 283	-
Total	**1 283**	**-**

As of 31 October 2024, Asset held for sale was the Ankogel ski resort in Austria. At the date of preparing the financial statements, the Group's management concluded that the sale of the ski resort is highly probable within one year, and the asset was reclassified to current assets as an asset held for sale in accordance with IFRS 5 Non-current assets held for sale and discontinued operations.

As of 31 October 2024, the assets classified as held for sale were as follows:

in TEUR	**31.10.2024**
Property, plant and equipment	1 283
Assets held for sale	**1 283**

As of 31 October 2024, within the total deferred tax liability presented in the consolidated statement of financial position (see Note 18 – Deferred tax asset, Deferred tax liability), there is a deferred tax liability of EUR 257 thousand related to Asset held for sale. The carrying amount of Right-of-use assets as of 31 October 2024 was EUR 117 thousand (as of 31 October 2023: EUR 118 thousand), and the carrying amount of Lease liabilities as of 31 October 2024 was EUR 128 thousand (as of 31 October 2023: EUR 127 thousand).

The cash flow from discontinued operations is as follows:

in TEUR	**31.10.2024**	**31.10.2023**
Cash flow from operating activities	-188	-144
Cash flow from investing activities	-	-107
Cash flow from financing activities	-12	-11
Cash flow from discontinued operations	**-200**	**-261**

Below is an overview and breakdown of the profit or loss from discontinued operations, which were not reflected in the consolidated statement of profit or loss and other comprehensive income.

in TEUR	**31.10.2024**	**31.10.2023**
Revenues	1 189	1 287
Total revenues from discontinued operations	**1 189**	**1 287**
Consumption of material and goods	-82	-68
Purchased services	-396	-550
Personnel expenses	-889	-820
Other operating services	-77	-35
Other operating income	53	30
Profit / (loss) from discontinued operations before interest, tax, depreciation, and amortization (EBITDA)	**-202**	**-156**
Depreciation and amortization	-90	-95
Profit / (loss) from discontinued operations before interest and tax (EBIT)	**-292**	**-251**
Deferred income tax	-5	-31
Profit for the year from discontinued operations	**-297**	**-282**
Profit / (Loss) from discontinued operations per share in EUR	**-**	**-**

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 1.11.2022	**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**
Opening balance as at 1.11.2023	**84 610**	**8 264**	**92 874**
Additions	5 403	3 072	8 475
Transfer to Property, plant and equipment	-484	-632	-1 116
Disposals	-898	-970	-1 868
Disposals due to business combinations	-252	-	-252
Modifications	1 715	13	1 728
Foreign exchange difference	178	-7	171
Balance as at 31.10.2024	**90 272**	**9 740**	**100 012**
Accumulated depreciation and losses from impairment of assets			
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
Foreign exchange difference	-5	-12	-17
Balance as at 31.10.2023	**-29 933**	**-3 923**	**-33 856**
Opening balance as at 1.11.2023	**-29 933**	**-3 923**	**-33 856**
Depreciation of current accounting period	-4 095	-1 439	-5 534
Transfer to Property, plant and equipment	298	355	653
Disposals	894	970	1 864
Disposals due to business combinations	252	-	252
Foreign exchange difference	-4	3	-1
Balance as at 31.10.2024	**-32 588**	**-4 034**	**-36 622**
Carrying value			
As at 31.10.2023	**54 677**	**4 341**	**59 018**
As at 31.10.2024	**57 684**	**5 706**	**63 390**

16. Goodwill and intangible assets

in TEUR	Goodwill	Valuable rights	Software	Intangible assets under construction	Total
Cost					
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**
Opening balance as at 1.11.2023	**32 209**	**7 620**	**6 058**	**338**	**46 225**
Additions	-	-	54	767	821
Disposals due to disposal of subsidiaries	-96	-	-	-	-96
Transfers within assets	-	-	845	-845	-
Foreign exchange difference	25	-20	-41	-22	-58
Balance as at 31.10.2024	**32 138**	**7 600**	**6 916**	**238**	**46 892**
Accumulated depreciation and losses from impairment of assets					
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**
Opening balance as at 1.11.2023	**-4 344**	**-2 067**	**-4 383**	**-**	**-10 794**
Depreciation of current accounting period	-	-259	-591	-	-850
Foreign exchange difference	-25	21	24	-	20
Balance as at 31.10.2024	**-4 369**	**-2 305**	**-4 950**	-	**-11 624**
Carrying value					
As at 1.11.2022	**27 865**	**5 843**	**1 874**	**23**	**35 605**
As at 31.10.2023	**27 865**	**5 553**	**1 675**	**338**	**35 431**
As at 31.10.2023	**27 865**	**5 553**	**1 675**	**338**	**35 431**
As at 31.10.2024	**27 769**	**5 295**	**1 966**	**238**	**35 268**

Valuable rights are represented mainly by trademarks related to Aquapark Tatralandia.

17. Investment property

in TEUR	**31.10.2024**	**31.10.2023**
Opening balance as at 1.11.2023 / 1.11.2022	6 663	7 411
Transfer from/to Property, plant and equipment	178	-748
Revaluation at fair value	348	-
Balance as at 31.10.2024 / 31.10.2023	**7 189**	**6 663**

As at 31 October 2024, Investment property represents hotel Kosodrevina, Chata Solisko, Vila Zámoček and BIVAC Club with an aggregate book value of EUR 1,567 thousand (as at 31 October 2023: EUR 1,042 thousand), which are leased out to third parties that operate them. Hotel Kosodrevina is located in the Low Tatras, Chata Solisko, Vila Zámoček and BIVAC Club are located in the High Tatras. 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 2023: EUR 5,622 thousand) acquired by acquisition in 2009.

Transfer from Property, plant and equipment in the amount of EUR 178 thousand includes the transfer of a part of the BIVAC Club, which has been leased to a third party since 1 November 2023. Based on contractual and market conditions, the value of the investment in real estate was reassessed upwards by EUR 348 thousand as of 31 October 2024. As of 31 October 2023, the Group's management concluded that the assumptions leading to a change in the value of these investments had not significantly changed.

In the financial year ending 31 October 2023: Transfer to Property, plant and equipment in the amount of EUR 748 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.

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 719 thousand higher or lower compared to the amount reported as at 31 October 2024 (as at 31 October 2023: EUR 666 thousand).

In the period between 1 November 2023 and 31 October 2024, income from investment property accounted for EUR 98 thousand and direct operating cost related to investment property was EUR 6 thousand (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).

Security

As at 31 October 2024, a part of investment property in the amount of EUR 1,029 thousand were used as the security for bank loans (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).

18. Deferred tax asset, deferred tax liability

Deferred tax asset (liability) has been recognized for these items:

in TEUR	Receivables		Liabilities		Total	
	31.10.2024	**31.10.2023**	**31.10.2024**	**31.10.2023**	**31.10.2024**	**31.10.2023**
Temporary differences related to:						
Non-current fixed and intangible assets	6 979	6 792	-38 423	-33 612	**-31 447**	**-26 820**
Investments Property	-	-	-903	-439	**-903**	**-439**
Losses from impairment of trade receivables and other assets	856	273	-54	-54	**802**	**219**
Provisions and liabilities	3 479	2 999	-1 609	-1 592	**1 870**	**1 407**
Leases (IFRS 16)	230	256	-318	-322	**-88**	**-66**
Tax losses	-	370	-	-	**-**	**370**
Other temporary differences	1 085	1 028	-470	-	**615**	**1 028**
Offsetting	-7 698	-6 422	7 698	6 422	-	-
Total	**4 928**	**5 296**	**-34 079**	**-29 597**	**-29 151**	**-24 301**

Deferred tax asset was not recognized for these items (tax base):

in TEUR	**31.10.2024**	**31.10.2023**
Property, plant and equipment, and intangible assets	-17 726	-44 699
Losses on impairment of trade receivables and other assets	10	-
Provisions and liabilities	-33 667	-11 266
Tax losses	-5 917	-747
Total	**-57 300**	**-56 712**

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	**2023**	**2024**	**2025**	**after 2027**
Tax losses	2 945	1 839	1 186	-

Based on the legislative change in Slovakia, the tax loss can be deducted from the tax base for 2024 as follows:

- 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,
- for 2023 – 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	**31.10.2024**	**31.10.2023**
Goods	2 631	2 870
Material	2 760	2 643
Chalets and apartments developed for sale	7 480	3 958
Total	**12 871**	**9 471**

As at 31 October 2024, the apartments held for sale represent a value of EUR 7,480 thousand, including apartments under construction in the Centrum Jasná complex worth EUR 5,015 thousand and recreational properties in the Bešeňová water park valued at EUR 2,465 thousand, the construction of which the Group carries out and subsequently plans to sell to third parties (chalets and apartments for sale in total as of 31 October 2023: EUR 3,958 thousand).

In the period from 1 November 2023 to 31 October 2024, inventories amounted to EUR 16,028 thousand (from 1 November 2022 to 31 October 2023: EUR 16,430 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 2024, inventories of EUR 3,074 thousand were used to secure bank loans (as at 31 October 2023, inventories of EUR 9,471 thousand were used to secure bank loans and bonds).

20. Loans provided

in TEUR	**31.10.2024**	**31.10.2023**
Short-term	2 558	2 481
Long-term	1 075	1 245
Total	**3 633**	**3 726**
Impairment allowance to loans provided	-1 060	-1 055
Total with allowance	**2 573**	**2 671**

As at 31 October 2024 in accordance with the rules of IFRS 9, the value of impairment allowance for loans provided was EUR 1,060 thousand (as at 31 October 2023: EUR 1,055 thousand).

Table below summarizes long-term loans as at 31 October 2024 and 31 October 2023. As at 31 October 2024 the weighted average interest rates applied on long-term loans was 0.00% p.a. (as at 31 October 2023: 0.46% p.a.).

in TEUR		31.10.2024	31.10.2023
Debtor	**Interest rate type**	**Loan value**	**Loan value**
MELIDA, a.s.	-	865	892
Desať s.r.o.	-	210	210
OSTRAVICE HOTEL a.s.	4% p.a.	-	143
Total long-term loans		**1 075**	**1 245**

Table below summarizes short-term loans as at 31 October 2024 and 31 October 2023. As at 31 October 2024 the weighted average interest rates applied on short-term loans was 6.12% p.a. (as at 31 October 2023: 6.13% p.a.).

in TEUR		31.10.2024	31.10.2023
Debtor	**Interest rate type**	**Loan value**	**Loan value**
SON Partner	7% p.a.	1 153	1 077
Thalia s.r.o.	5% p.a.	1 119	1 076
MS reality holding a.s.	7% p.a.	-	328
NBC Bratislava s.r.o.	7% p.a.	286	-
Total short-term loans		**2 558**	**2 481**

21. Trade receivables

in TEUR	31.10.2024	31.10.2023
Trade receivables	4 364	5 661
Impairment allowance to receivables	-198	-124
Total	**4 166**	**5 537**
Short-term	4 166	5 537
Long-term	-	-
Total	**4 166**	**5 537**

As at 31 October 2024, carrying amount of trade receivables amounts to EUR 4,166 thousand and comprises of current operating receivables (as at 31 October 2023: EUR 5,537 thousand).

The ageing structure of receivables is as follows:

in TEUR	31.10.2024			31.10.2023		
	Gross	**Impairment allowance**	**Net**	**Gross**	**Impairment allowance**	**Net**
Within due period	3 379	-62	3 317	5 068	**-97**	4 971
Overdue within 30 days	240	-2	238	198	-3	195
Overdue from 30 days to 180 days	228	-11	217	180	-2	178
Overdue from 180 days to 365 days	356	-7	349	86	-6	80
Overdue over 365 days	161	-116	45	129	-16	113
Total	**4 364**	**-198**	**4 166**	**5 661**	**-124**	**5 537**

As at 31 October 2024 and 31 October 2023, 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	**31.10.2024**	**31.10.2023**
Balance as at 1.11.2023 / 1.11.2022	124	419
Creation of impairment allowance	85	27
Usage	-4	-103
Reversal of impairment allowance	-7	-219
Balance as at 31.10.2024 / 31.10.2023	**198**	**124**

Security

As at 31 October 2024, trade receivables of EUR 2,601 thousand were used to secure bank loans (as at 31 October 2023 trade receivables of EUR 5,537 thousand were used to secure bank loans and bonds).

22. Other receivables

in TEUR	**31.10.2024**	**31.10.2023**
Advance payments made	3 224	2 344
Total	**3 224**	**2 344**
Short-term	2 386	1 838
Long-term	838	506
Total	**3 224**	**2 344**

The advance payments made as at 31 October 2024 amount to a total of EUR 3,224 thousand (as at 31 October 2023: EUR 2,344 thousand).

23. Other assets

in TEUR	**31.10.2024**	**31.10.2023**
Prepaid expenses and accrued income	4 166	3 544
Other tax assets	5 109	736
Other Assets	3 076	3 298
Finance sublease receivables	-	97
Impairment allowance	-1 997	-23
Total	**10 354**	**7 652**
Short-term	10 354	7 652
Total	**10 354**	**7 652**

Other assets in the total amount of EUR 3,076 thousand primarily represent a receivable against Penzión Energetik s.r.o. in the amount of EUR 1,994 thousand (as at 31 October 2023: EUR 1,994 thousand), which the Group records based on the assignment contract and set-off agreement of receivables.

As at 31 October 2024, the Group created an individually assessed impairment allowance for the receivable against Penzión Energetik s.r.o. in the amount of EUR 1,978 thousand, which resulted in an increase in the impairment allowance for other assets, created in accordance with the rules of IFRS 9, to EUR 1,997 thousand (as at 31 October 2023: EUR 23 thousand).

24. Financial investments

in TEUR	**31.10.2024**	**31.10.2023**
Financial instruments measured at fair value through profit or loss	137	39
Total	**137**	**39**

Financial investments represent 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 2023: EUR 36 thousand) and an investment in SON Partner Sp. Z o. o. in the amount of EUR 3 thousand (as at 31 October 2023: EUR 3 thousand) and an investment in GOPASS Property, a.s. in the amount of EUR 98 thousand.

25. Cash and cash equivalents

in TEUR	**31.10.2024**	**31.10.2023**
Cash	386	263
Stamps and vouchers	33	26
Current accounts with banks	40 151	17 440
Impairment allowance	-9	-2
Total	**40 561**	**17 727**

As at 31 October 2024, the value of impairment allowance to cash and cash equivalents under IFRS 9 was EUR 9 thousand (as at 31 October 2023: 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 P-1 to P-3 by recognized rating agencies.

Security

As at 31 October 2024, cash funds in the amount of EUR 25,197 thousand were used to secure bank loans (as at 31 October 2023: EUR 0 thousand). The Group may freely dispose of the bank accounts.

26. Equity

Share capital and share premium

As at 31 October 2023, 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 (share capital: EUR 46,950,386).

During June and July 2024, the Company's share capital was increased by EUR 44,210,530 through the issuance, subscription, and payment of 6,315,790 ordinary shares with a nominal value of EUR 7 per share.

As at 31 October 2024, the approved, subscribed and fully paid-up share capital consisted of 13,022,988 ordinary shares in the nominal value of 7 EUR per share (share capital: EUR 91,160,917). The emission of shares is marked by ISIN: SK1120010287.

On 17 May 2024, 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 2022 and 31 October 2023 according to the financial statements compiled for that accounting period, in the amount of EUR 2,712 thousand as follows:

- Allocation to the legal reserve fund in the amount of EUR 271 thousand,
- Allocation to the social fund on the basis of a collective agreement in the amount of EUR 14 thousand,
- The balance in the amount of EUR 2,428 thousand transferred 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 2024	**Number of shares**	**Ownership interest** *in TEUR*	**Ownership interest** %	**Voting rights** %
C.I. CAPITAL INDUSTRIES LIMITED	3 828 003	26 796	29.4%	29.4%
FOREST HILL, s.r.o.	2 001 677	14 012	15.4%	15.4%
RMSM1 LIMITED	992 666	6 949	7.6%	7.6%
JTFG FUND II SICAV, a.s.	2 677 402	18 742	20.6%	20.6%
DIAMCA INVESTMENTS LIMITED	811 676	5 682	6.2%	6.2%
Minority shareholders	2 711 564	18 981	20.8%	20.8%
Total	**13 022 988**	**91 161**	**100%**	**100%**

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%**

Profit / (loss) per share

	31.10.2024	**31.10.2023**
Profit / (loss) for the period in TEUR	-1 649	-497
Weighted average number of ordinary shares	8 053 186	6 707 198
Basic and diluted earnings per share in EUR	**-0.205**	**-0.074**

Legal reserve fund

The legal reserve fund amounts to EUR 7,621 thousand (as at 31 October 2023: EUR 7,305 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 (as at 31 October 2023: 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 2024, the Parent Company's management proposes the distribution of total profit of the Parent Company in the amount of EUR 9,132 thousand as follows:

- Allocation to the legal reserve fund of EUR 913 thousand
- Allocation to the social fund on the basis of a collective agreement in the amount of EUR 46 thousand
- Balance of EUR 8,173 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., Ślaskie Wesole Miasteczko Sp. z o. o. in Poland (for the fiscal year ending on 31 October 2023: Szczyrkowski Ośrodek Narciarski, S.A., Śląskie Wesole 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 2024, 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	**31.10.2024**	**31.10.2023**
Szczyrkowski Ośrodek Narciarski, S.A (SON) (1.4% / 3%)	-166	-513
Korona Ziemi sp.z o.o. (26%)	-	-187
Total	**-166**	**-700**

Material non-controlling interests

Szczyrkowski Ośrodek Narciarski, S.A (SON)

in TEUR	**31.10.2024**	**31.10.2023**
Non-current assets	60 345	60 979
Current assets	2 007	2 355
Assets	**62 351**	**63 335**
Non-current liabilities	-25 498	-27 423
Current liabilities	-48 705	-53 004
Liabilities	**-74 204**	**-80 427**
Net assets, net of goodwill	**-11 853**	**-17 092**
Percentage of non-controlling interest	1.4%	3%
Book value of non-controlling interest	**-166**	**-513**
Revenues	12 474	11 297
Profit (loss)	-3 872	-459
Other comprehensive income	-	-
Total comprehensive income	-3 872	-459
Percentage of non-controlling interest	1.4%	3%
Profit/(loss) attributable to the non-controlling interest	**-54**	**-14**
Other comprehensive income attributable to the non-controlling interest	**-**	**-**
Net increase (decrease) of cash and cash equivalents	**160**	**-515**

27. Loans and borrowings

in TEUR	**31.10.2024**	**31.10.2023**
Loans and borrowings received	277 213	117 882
Total	**277 213**	**117 882**
Short-term	11 473	11 462
Long-term	265 740	106 420
Total	**277 213**	**117 882**

Received loans and borrowings as at 31 October 2024 and 31 October 2023 are shown in the following overview:

Creditor	**Interest rate type**	**Maturity date**	**Unpaid amount as at 31.10.2024**
			in TEUR
Bank loan - consortium	6M EURIBOR + 2.25% p.a.	30.9.2029	168 307
J&T BANKA, a.s.	6M EURIBOR + 5% p.a.	30.9.2030	108 569
Dr. Nodari Giorgadze	-	30.6.2017	190
Heineken Slovensko, a.s.	-	30.6.2028	96
Raiffeisen - Leasing s.r.o.	7.49% p.a.	15.7.2027	51
Total			**277 213**

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**

The weighted average of interest rates for loans and borrowings received as at 31 October 2024 was 6.19% (as at 31 October 2023: 8.86%). 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 2024 the loan amounted to EUR 51 thousand (as at 31 October 2023: EUR 70 thousand).

In October 2024, the Group signed a comprehensive financing package consisting of a senior loan in the amount of EUR 180 million with a consortium of leading Slovak, Czech, and Polish banks and a junior loan in the amount of EUR 110 million from J&T BANKA, which is fully subordinated to the maturity and satisfaction of claims from the senior loan. The proceeds from this financing were used to refinance and repay nearly all of the Group's bank liabilities and bonds. The new capital structure with lower leverage is expected to lead to significantly lower debt servicing costs and provides the Group with substantial financial resources for its sustainable growth in the future.

The banking consortium was coordinated by Tatra banka, which acted as the lead mandated arranger and global coordinator. UniCredit Bank Czech Republic and Slovakia and Slovenská sporiteľňa acted as lead mandated arrangers, while Powszechna Kasa Oszczędności Bank Polski and Československá obchodná banka joined as arrangers, and Česká spořitelna and Raiffeisenbank ČR participated as lenders.

As at 31 October 2024, the total outstanding amount of the loan to J&T BANKA is EUR 108,569 thousand (as at 31 October 2023: EUR 117,622 thousand). The total outstanding amount of the Bank loan - consortium as at 31 October 2024 is EUR 168,454 thousand (as at 31 October 2023: EUR 0 thousand).

As of 31 October 2024, the Company is required to comply with the financial covenants stipulated in the bank loan agreement, specifically the Senior Leverage, Total Leverage, DSCR, and Capital Expenditure covenants. The Senior Leverage covenant, which expresses the ratio of senior net debt to EBITDA, will be tested for the first time on 31 October 2024, and its value must not exceed 3.5. The Total Leverage covenant, which encompasses the Company’s total net debt in relation to EBITDA, will also be tested for the first time on 31 October 2024, with a maximum allowable value of 5.0. The DSCR covenant, which indicates the Company’s ability to cover its debt service obligations through generated cash flows, will be tested for the first time on 30 April 2025, and its value must not be less than 1.2. The Capital Expenditure covenant limits the Company’s capital expenditures to a maximum of 10% of total consolidated revenues from the previous financial year. Covenants Senior Leverage and Total Leverage which evaluation is due within the dates of issuing the consolidated financial statements were met.

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 as at 31 October 2024: real estate and movable assets located in the resorts of Jasná, Vysoké Tatry, Tatralandia, and Bešeňová. The guarantors in the loan documentation include TMR Parks, a. s., Eurocom Investment s.r.o., Szczyrkowski Ośrodek Narciarski S.A., Muttereralm Bergbahnen Errichtungs GmbH, and Mölltaler Gletscherbahnen GmbH & Co KG. Trade receivables, including intercompany receivables, were pledged, and a lien was established on bank accounts in the companies Tatry mountain resorts, a.s., TMR Parks, a.s., and Eurocom Investment s.r.o. Additionally, a lien was established on the business share and any future business share in Eurocom Investment s.r.o. Under Polish lien law, trade receivables, including intra-group receivables, were pledged, as well as Polish bank accounts and shares of Szczyrkowski Ośrodek Narciarski. Shares of TMR Ještěd, a.s. were also pledged.

As at 31 October 2024, property, plant and equipment, investment property, inventories, receivables and bank accounts in the amount of EUR 303,617 thousand were used to secure bank loans (as at 31 October 2023: property, plant and equipment, investment property, inventories and receivables in the amount of EUR 410,604 thousand were used to secure bank loans and bonds).

28. Lease liabilities

in TEUR

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**
Opening balance as at 1.11.2023	**72 278**
Additions	8 476
Disposals	-133
Modifications	1 807
Interest	3 883
Payments	-12 646
Foreign exchange difference	-113
Balance as at 31.10.2024	**73 552**
Short-term	9 841
Long-term	63 711
Total	**73 552**

The maturity of lease liabilities is as follows:

in TEUR	31.10.2024	31.10.2023
Less than 1 year	9 841	8 440
1 - 5 years	20 017	20 537
Above 5 years	43 694	43 301
Total	**73 552**	**72 278**

29. Trade payables and other payables

in TEUR	31.10.2024	31.10.2023
Trade payables	14 139	12 947
Liabilities towards employees and social security institutions	10 532	9 467
Unbilled deliveries	3 475	3 664
Total	**28 146**	**26 078**
Short-term	27 758	25 214
Long-term	388	864
Total	**28 146**	**26 078**

As at 31 October 2024, liabilities towards employees and social security institutions mainly represent a provision for bonuses for the financial year from 1 November 2023 to 31 October 2024 amounting to EUR 2,549 thousand (as at 31 October 2023: EUR 2,212 thousand), wage liabilities to employees and social security institutions are in the amount of EUR 5,819 thousand (as at 31 October 2023: EUR 5,274 thousand) and a provision for unused holidays of EUR 1,727 thousand (as at 31 October 2023: EUR 1,685 thousand).

The creation and usage of the Social fund during the accounting period are shown in the following overview:

in TEUR	31.10.2024	31.10.2023
Balance as at 1.11.2023 / 1.11.2022	55	15
Creation of social fund against expenses	152	112
Drawing	-123	-72
Balance as at 31.10.2024 / 31.10.2023	**84**	**55**

As at 31 October 2024, long-term liabilities in the amount of EUR 323 thousand (as at 31 October 2023: EUR 864 thousand) represent retention fees against contractors for the construction of the Centrum Jasná complex.

As at 31 October 2024, overdue liabilities amounted to EUR 2,391 thousand (as at 31 October 2023: EUR 2,222 thousand). Overdue liabilities as at 31 October 2024 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

As at 31 October 2024, the Group currently does not have any risks hedged through hedge accounting, as these risks are managed in other ways. For more information, please refer to the section on financial risks.

In previous periods, the Group used cash-flow hedges solely to hedge against foreign currency risk. Since the Group had drawn a loan from its Czech subsidiary, a position in Czech Koruna (CZK) was opened. The Group decided to manage the foreign currency risk related to fluctuations in the Czech Crown exchange rate for this particular instrument using a hedging instrument – a foreign currency swap.

On 7 November 2022, TMR Finance CR, a.s. repaid the fourth bond issue of TMR F. CR in the total nominal value of CZK 1,500,000 thousand. At the same time, the accounting of cash-flow hedges against foreign currency risk was discontinued. 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. As at 31 October 2023, the total profit from hedging derivatives in the Comprehensive income was EUR 2,602 thousand.

31. Contract liabilities

in TEUR	**31.10.2024**	**31.10.2023**
Advances received	17 449	11 388
Deferred revenue	6 376	7 840
Discounts on purchases	583	582
Total	**24 408**	**19 810**
Short-term	24 408	19 810
Total	**24 408**	**19 810**

As at 31 October 2024, the advances received represent mainly advances received for hotel accommodation in the amount of EUR 8,581 thousand (as at 31 October 2023: EUR 5,112 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 2,160 thousand (as at 31 October 2023: EUR 1,685 thousand).

As at 31 October 2024, the deferred revenue includes mainly the amount of EUR 5,727 thousand for accrual of ski passes and aqua passes sold (as at 31 October 2023: EUR 6,718 thousand) with an amount of EUR 4,087 thousand coming from the "Šikovná sezónka" ski passes sold (as at 31 October 2023: EUR 5,892 thousand) and EUR 1,640 thousand from other ski passes and aqua passes sold (as at 31 October 2023: EUR 826 thousand). The provision for discounts on purchases was as at 31 October 2024 in total amount of EUR 583 thousand (as at 31 October 2023: EUR 582 thousand).

32. Other liabilities

in TEUR	31.10.2024	31.10.2023
Liabilities to shareholders from reduction in share capital	213	213
Other liabilities to the former shareholders (Mölltaler Group)	8 116	8 580
Contingent consideration	1 144	1 060
Other	7 524	5 697
Government subsidies	2 924	3 174
Total	**19 921**	**18 724**
Short-term	9 208	5 983
Long-term	10 713	12 741
Total	**19 921**	**18 724**

As at 31 October 2024, liabilities to shareholders from reduction in share capital represent the amount EUR 213 thousand (as at 31 October 2023: EUR 213 thousand) and comprise mainly the remaining liability from the capital reduction in 2014 in total amount EUR 174,388 thousand.

As at 31 October 2024, other liabilities to the former shareholders amount to EUR 8,116 thousand (as at 31 October 2023: EUR 8,580 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 2024, the contingent consideration in the amount of EUR 1,144 thousand (as at 31 October 2023: EUR 1,060 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 2024, the amount of other liabilities includes the amount of EUR 1,260 thousand resulting from from the acquisition of TMR Ještěd, a.s. in accordance with standard IFRS 3 (as at 31 October 2023: EUR 1,202 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 5,425 thousand (as at 31 October 2023: EUR 721 thousand).

The table contains a **detail on government grants movements**:

in TEUR	31.10.2024	31.10.2023
Balance as at 1.11.2023 / 1.11.2022	3 174	3 398
Received during the year	1 119	1 038
Released to the statement of profit and loss and other comprehensive income	-1 369	-1 262
Balance as at 31.10.2024 / 31.10.2023	**2 924**	**3 174**

In the financial year 2024, state aid related to energy cost totaling EUR 1,119 thousand was received (financial year 2023: EUR 1,038 thousand) and was used mainly as compensation 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.

The table **summarizes government grants recognized** in the statement of comprehensive income:

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
State aid related to wages and salaries	-	53
State aid related to other costs	1 369	1 209
Total	**1 369**	**1 262**

33. Provisions

in TEUR	**31.10.2024**	**31.10.2023**
Opening balance as at k 1.11.2023/1.11.2022	589	613
Creation of provisions during the year	759	570
Reversal of provisions during the year	-78	-
Use of provisions during the year	-118	-600
Foreign exchange difference	-	6
Balance as at 31.10.2024/31.10.2023	**1 152**	**589**

	31.10.2024	**31.10.2023**
Short-term	341	422
Long-term	811	167
Total	**1 152**	**589**

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, which was repaid on 10 October 2024.

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 5.4% 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.

On 10 October 2024, the Group fully repaid the TMR III bonds at their nominal value along with the corresponding interest.

On 30 October 2024, the Group prematurely repaid all TMR VI bonds before maturity at their total nominal value together with the applicable interest up to the date of early repayment.

On 13 June 2024 a meeting of the TMR V bondholders was held. During the meeting the redemption of TMR V bonds by the Company was approved. Subsequently, the Group as the issuer, decided to redeem the TMR V bonds to strengthen its capital structure. The bonds redeemed by the Group (the issuer) do not expire. As at 31 October 2024, the Group redeemed all TMR V bonds at their full nominal value of EUR 110,000 thousand, along with the corresponding interest amounting to EUR 4,913 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 31.10.2024	Carrying value as at 31.10.2023
Name									
TMR III 4.40%/2024	SK4120014598	10.10.2018	10.10.2024 **REPAID 10.10.2024**	EUR	90 000	4.4	4.940	-	89 718
TMR V 6.00%/2026	SK4000018255	2.2.2021	2.2.2026	EUR	110 000	6.0	6.697	-	113 601
TMR VI 5.40%/2027	SK4000021713	28.10.2022	28.10.2027 **REPAID 30.10.2024**	EUR	59 000	5.4	5.924	-	57 945
Total								**-**	**261 264**
Short-term								-	94 621
Long-term								-	166 643
Total								**-**	**261 264**

All three 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 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.

The Company did not evaluate fulfillment of covenants as at 31 October 2024, as this obligation ceased upon their repayment.

As of 31 October 2023 all of the three issues were associated with regular payment of the coupon, financed from the Group’s own resources.

As of 31 October 2023, out of the total value of liability of EUR 261,264 thousand, the short-term part was 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.

Security

As of 31 October 2024, a right of lien (“pledge”) was established to secure the issued TMR III and TMR VI bonds on the property, movable assets, and part of receivables owned by the Company, totaling EUR 0 thousand (as of 31 October 2023: TMR III EUR 97,283 thousand and TMR VI EUR 77,098 thousand). This property is not used as security for other liabilities 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	
		31.10.2024	**31.10.2023**	**31.10.2024**	**31.10.2023**
Financial assets					
Loans provided	20	2 573	2 671	2 246	2 256
Total		**2 573**	**2 671**	**2 246**	**2 256**

in TEUR		Carrying value		Fair value	
		31.10.2024	**31.10.2023**	**31.10.2024**	**31.10.2023**
Financial liabilities					
Bonds issued	34	-	261 264	-	259 746
Total		**-**	**261 264**	**-**	**259 746**

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 2023	**Drawings**	**Payment of principal**	**Payment of interest**	**Interest accrued in the current period**	**Disposals**	**Impact of cash-flow hedge**	**Other**	**31 October 2024**
Loans and borrowings	117 882	276 922	-115 763	-11 582	11 912	-	-	-2 158	277 213
Lease liabilities	72 278	10 283	-12 645	-	3 883	-133	-	-114	73 552
Bonds issued	261 264	-	-259 000	-20 536	17 334	-	-	938	
Total liabilities from financing activities	**451 425**	**287 205**	**-387 409**	**-32 118**	**33 129**	**-133**	**-**	**-1 253**	**350 766**

In case of bonds issued, the category Other represents fee to the administrator for issuing bonds (see also Note 34 - Bonds issued).

in TEUR

	1 November 2022	**Drawings**	**Payment of principal**	**Payment of interest**	**Interest accrued in the current period**	**Disposals**	**Impact of cash-flow hedge**	**Other**	**31 October 2023**
Loans and borrowings	122 830	2 928	-8 691	-8 076	9 210	-	-	-317	117 882
Lease liabilities	67 098	8 541	-7 839	-	3 418	-	-	1 060	72 278
Bonds issued	266 186	56 457	-61 127	-15 120	14 952	-	-127	43	261 264
Total liabilities from financing activities	**456 115**	**67 926**	**-77 657**	**-23 196**	**27 580**	**-**	**-127**	**785**	**451 425**

In case of bonds issued, the category Other represents the impact of foreign currency hedge (see also Note 30 – Hedge accounting) and administrator's fee for bond issuance administration (see also Note 34 – Bonds issued).

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 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.

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% - 6.95%	**40%**	**2 514**	**- 70**

As at 31 October 2024, loans totaling EUR 1,119 thousand (as at 31 October 2023: EUR 1,076 thousand) were classified as Stage 2, for which an impairment allowance of EUR 989 thousand (as at 31 October 2023: 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 7,0 thousand. If the PD decreased by 10%, the ECL would decrease by EUR 7,0 thousand. (As at 31 October 2023: 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 2024, the Group was exposed to the following credit risk:

in TEUR	**Legal entities**	**Banks**	**Other financial institutions**	**Other**	**Total**
Financial assets					
Loans Provided	2 573	-	-	-	2 573
Other receivables	-	-	-	-	-
Trade receivables	4 166	-	-	-	4 166
Cash and Cash Equivalents	-	40 142	-	419	40 561
Other Assets	313	-	378	28	719
Total	**7 052**	**40 142**	**378**	**447**	**48 019**

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**

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 "without specification" category.

As at 31 October 2024, 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	**2 573**	**3 633**	2 558	-	210	865	-
Trade receivables	**4 166**	**4 364**	4 364	-	-	-	-
Cash and cash equivalents	**40 561**	**40 570**	40 570	-	-	-	-
Other Assets	**719**	**3 045**	3 045	-	-	-	-
Total	**48 019**	**51 612**	**50 537**	**-**	**210**	**865**	**-**

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 liabilities							
Loans and borrowings	**-277 213**	**-357 382**	-206	-27 209	-329 967	-	-
Lease liabilities	**-73 552**	**-137 535**	-2 789	-12 975	-43 841	-77 930	-
Bonds issued	**-**	**-**	-	-	-	-	-
Trade payables and other payables	**-15 574**	**-15 574**	-15 383	-6	-185	-	-
Other liabilities	**-11 777**	**-11 777**	-410	-2 500	-8 867	-	-
Total	**-378 116**	**-522 268**	**-18 788**	**-42 690**	**-382 860**	**-77 930**	**-**

As at 31 October 2024, loans granted for up to 1 year amount to EUR 2,558 thousand (as at 31 October 2023: EUR 2,481 thousand), a majority of which is payable on demand or by the end of October 2025. 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 October 2024, the Group signed a complex financing package consisting of a senior loan of EUR 180 million with a consortium of leading Slovak, Czech, and Polish banks and a junior loan of EUR 110 million from J&T BANKA, maturing at the end of September 2029 and 2030, respectively.

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	-
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	-	-
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**	**-**

Foreign exchange risk

Due to 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 2024 and 31 October 2023, the Group reported below mentioned items of financial assets and liabilities denominated in foreign currencies:

in TEUR	31.10.2024			31.10.2023		
Financial assets	**EUR**	**PLN**	**CZK**	**EUR**	**PLN**	**CZK**
Cash and cash equivalents	3 620	779	-	4 908	891	
Trade receivables	267	-	-	136	-	-
Loans Provided	4 535	36 414	5 710	4 674	34 699	6 848
Total	**8 422**	**37 193**	**5 710**	**9 719**	**35 590**	**6 848**

in TEUR	31.10.2024			31.10.2023		
Financial liabilities	**EUR**	**PLN**	**CZK**	**EUR**	**PLN**	**CZK**
Trade payables and other payables	-476	-3	-205	-455	-1	-45
Loans and borrowings received	-97 780	-	-	-101 117	-	-
Total	**-98 257**	**-3**	**-205**	**-101 572**	**-1**	**-45**

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	**2024**	**2023**
PLN	-1 860	-1 780
CZK	-275	-340

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 2024 and 31 October 2023, the Group has the following interest-earning assets and interest-bearing liabilities:

in TEUR	**31.10.2024**	**31.10.2023**
Fixed interest rate		
Assets	47 989	28 665
Payables	-101 093	-372 392
Variable interest rate		
Assets	30	18
Payables	-277 023	-117 622

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 2024		
Instruments with variable interest rate	2 770	-2 770
Effect	**2 770**	**-2 770**

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**

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.

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 2024 and 31 October 2023 or during the period from 1 November 2023 to 31 October 2024 and 1 November 2022 to 31 October 2023:

(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 in which the Company is a partner,
(4) Members of the Group's top management or shareholders of the Group and companies in which top management or shareholders of the Company have 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 2024 the Group has receivables in the amount of EUR 9 thousand (2023: EUR 0 thousand) and liabilities in the amount of EUR 947 thousand (2022: EUR 1,668 thousand) to Members of the Key Management.

In the period from 1 November 2023 to 31 October 2024, the Group reported revenues in the amount of EUR 9 thousand (2023: EUR 0 thousand) and expenses in the amount of EUR 2,023 thousand (2023: EUR 2,505 thousand) to Members of the Key Management.

As at 31 October 2024, the Group has receivables in the amount of EUR 7 thousand (2023: EUR 7 thousand), liabilities in the amount of EUR 387 thousand (2023: EUR 344 thousand) to companies related through Members of the Key Management.

In the period from 1 November 2023 to 31 October 2024, the Group reported revenues in the amount of EUR 59 thousand (2023: EUR 145 thousand) and expenses in the amount of EUR 6,009 thousand (2023: EUR 5,900 thousand).

39. Subsequent events

After 31 October 2024, no events occurred that would have a significant impact on the fair presentation of the facts stated in this financial statement.

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.

Subsequently, 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.

As at 10 October 2024, the Group fully repaid the TMR III bonds at their nominal value along with the corresponding interest.

As at 30 October 2024, the Group repaid all TMR VI bonds before their maturity at their nominal value together with the applicable interest up to the date of early repayment.

On 13 June 2024, a meeting of the TMR V bondholders was held. During meeting, the redemption of TMR V bonds was approved. Subsequently, the Group as the issuer, decided to redeem the TMR V bonds to strengthen its capital structure. The bonds redeemed by the Group (the issuer) do not expire. As at 31 October 2024, the Group redeemed all TMR V bonds at their full nominal value of EUR 110,000 thousand, along with the corresponding interest amounting to EUR 4,913 thousand.

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 2023 and 31 October 2024, 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 579 thousand plus related charges and fees.

42. Companies within the Group

The list of companies in the Group as at 31 October 2024 and 31 October 2023 is included in the following overview:

			31.10.2024		31.10.2023	
	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	98.6	direct	97	direct
Ślaskie 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	-	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	-	direct	74	direct
Muttereralm Bergbahnen Errichtungs GmbH	Austria	full	100	direct	100	direct
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	-	-
JASNÁ CENTRAL, s.r.o.	Slovakia	full	100	direct	-	-
CENTRAL JASNÁ Property a.s.	Slovakia	full	100	direct	-	-
HOTEL SASANKA Property a.s.	Slovakia	full	100	direct	-	-
Ankogel Bergbahnen BE GmbH	Austria	full	100	indirect	-	-
Joint ventures						
OSTRAVICE HOTEL a.s.	Czech Republic	equity method	-	-	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 CR, 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.

On 15 December 2023, the company GOPASS Property a.s. was established with a registered capital of EUR 110 thousand located in the Czech Republic, with 100% ownership held by the company GOPASS SE.

On 7 March 2024, the company GOPASS Property SK, s.r.o. was established located in the Slovak republic, with a registered capital of EUR 5 thousand, with 100% ownership held by GOPASS Property a.s.

On 28 March 2024, the Group sold its 73.7% stake in the company Korona Ziemi Sp. Z o.o. The proceeds amounted to EUR 231 thousand, which were settled in cash. The transaction resulted in a loss from the sale of the subsidiary of EUR 855 thousand.

On 10 April 2024, the company GOPASS Property a.s. acquired a 100% stake in the company GOPASS Property PL Sp. z o.o. located in Poland, with a registered capital of EUR 1 thousand.

On 27 April 2024, the company JASNÁ CENTRAL, s.r.o. was established with a registered capital of EUR 5 thousand, with 100% ownership held by the Company.

On 26 June 2024, the company Ankogel Bergbahnen BE GmbH was established with a registered capital of EUR 10 thousand, with 100% ownership held by Mölltaler Gletscherbahnen GmbH & Co KG.

On 6 August 2024, the company CENTRAL JASNÁ Property, a.s. was established with a registered capital of EUR 28 thousand, with 100% ownership held by the Company.

On 21 August 2024, the TMR Group acquired a 100% stake in the company FORESPO HOREC A SASANKA a.s. with a registered capital of EUR 2,625 thousand for the purpose of acquiring real estate. The company was subsequently renamed HOTEL SASANKA Property, a.s..

On 18 October 2024, an 85% stake in the company GOPASS Property a.s. located in the Czech Republic, which was previously 100% owned by the company GOPASS SE, was sold for the consideration of EUR 8.5 thousand. As part of the transaction, the companies GOPASS Property SK, s.r.o. and GOPASS Property PL Sp. z o.o., which are 100% subsidiaries of the company GOPASS Property a.s., were also deconsolidated from the TMR Group.

On 31 October 2024, the Company sold its 100% stake in the company TMR Finance CR, a.s. The proceeds amounted to EUR 1.

During the accounting period ending 31 October 2024, the Group increased its stake in the subsidiary Szczyrkowski Ośrodek Narciarski S.A., with the current stake as of 31 October 2024 amounting to 98.6%.

Igor Rattaj *The Chairman of the Board of Directors*	Zuzana Ištvánfiová *The Vice Chairman of the Board of Directors*	Marian Klas *Finance Director, Member of the Board of Directors*	Lucia Kušnierová *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 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 2024;

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, comprising material accounting policies and other explanatory information.

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 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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:

<table>
<tr><th colspan="2">Impairment of property, plant and equipment, goodwill, intangible assets and right-of-use assets</th></tr>
<tr><td colspan="2">Carrying amount of property, plant and equipment, goodwill and intangible assets, and right-of-use assets as at 31 October 2024: EUR 510,573 thousand (31 October 2023: EUR 509,015 thousand); impairment allowance for property, plant and equipment, goodwill and intangible assets, and right-of-use assets as at 31 October 2024: EUR 19,378 thousand (31 October 2023: EUR 26,469 thousand); Reversal of impairment of non-current assets for the year ended 31 October 2024: EUR 7,091 thousand (31 October 2023: expense of EUR 4,528 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.A) (Property, Plant and Equipment), Note 15) (Right-of-use Leased Assets) and Note 16) (Goodwill and Intangible assets) of the consolidated financial statements.</td></tr>
<tr><td>Key audit matter</td><td>Our response</td></tr>
<tr><td>As described in Note 3d) of the consolidated financial statements, the Group identified impairment indicators for its property, plant and equipment, goodwill and intangible assets and right-of-use assets, during the current year, including those related to not meeting business plans.

In the wake of the above factors, as at 31 October 2024, the Group tested property, plant and equipment, goodwill and intangible assets, and right-of-use assets for impairment, as part of the impairment test performed for the cash generating unit („CGU”) ski resort Szczyrk of Polish daughter company Szczyrkowski Osrodek Narciarski S.A., CGU amusement park Legendia of Polish</td><td>Our audit procedures in the area performed, where applicable, with the assistance from our own valuation specialists, included, among others:

• Assessing the Group’s accounting policy for identifying, measuring, and recognizing impairment losses on property, plant, and equipment, goodwill and intangible assets, and right-of-use assets, for compliance with the relevant financial reporting standards;

• Evaluating design and implementation of selected internal controls relating to the identification of impairment indicators and to the process of impairment testing;</td></tr>
</table>

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daughter company Ślaskie 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 Mutteralm Innsbruck in Austrian daughter company Mutteralm Bergbahnen Errichtungs GmbH. The Group determined recoverable amounts for above mentioned CGUs 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 service pricing, expected volume of sales and operating expenses. Due to the above factors, coupled with the significantly higher estimation uncertainty stemming from the effect of the current macroeconomic volatility, assessment of property, plant and equipment, goodwill and intangible assets, right-of-use of 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.	• Evaluating the quality of the Group's forecasting by comparing historical projections with actual outcomes; • Assessing the appropriateness of asset grouping into CGUs, based on our understanding of the Group's operations and business units; • Assisted by our own valuation specialists, we challenged the selection of model, and assessed 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 for compliance with the relevant financial reporting standards and market practice, - Challenging the reasonableness of key macroeconomic assumptions used, such as discount rates, by referencing publicly available external sources, and - Using our knowledge of the Group, its historical performance, business, and industry experience to assess the reasonableness of the assumptions related to future service pricing, expected volume of sales and operating expenses, by reference to publicly available reports, and market data; - 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; • Assessing 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 the 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 2024 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.

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Additional requirements on the content of the auditors' report in accordance with 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 and in accordance with Code of Ethics for an Auditor

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 and 17 May 2024. 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 16 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.

For the period to which our statutory audit relates, we have provided professional trainings to the Company for a fee of EUR 7 thousand which are not disclosed in the Annual Report or the consolidated financial statements of the Company.

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 2024 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.

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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.

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

We apply the provisions of International Standard on Quality Control 1 (issued by the IAASB) and, accordingly, maintain a comprehensive system of quality control, including documented policies and 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;

Independent Auditor's Report

KPMG

- 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.

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, 28 February 2025

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 2023 to 31 October 2024

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	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Revenue	6	152 282	135 617
Total revenue		**152 282**	**135 617**
Material and goods consumption	7	-23 807	-19 875
Purchased services	8	-36 690	-32 964
Personnel expenses	9	-41 179	-37 056
Other operating expenses	10	-1 015	-943
Other operating income	11	581	2 371
Gain / (loss) on revaluation of investment property	17	41	-
Impairment losses to financial assets	22,23,26,28	23 657	-7 393
Profit / (loss) before interest, taxes, depreciation and amortization (EBITDA)*		**73 870**	**39 757**
Depreciation and amortization	14,16	-11 923	-14 116
Depreciation of right-of-use assets	15	-5 229	-4 803
Profit / (loss) before interest, taxes (EBIT)*		**56 718**	**20 838**
Interest income calculated using effective interest rate	12	9 035	7 523
Financing cost	12	-29 811	-25 871
(Creation) / Release of impairment to investment in subsidiaries	19	-14 830	-
Net profit / (loss) on financial operations	12	-1 002	1 572
Profit / (loss) from disposal of subsidiaries	5	-4 043	-
Profit / (loss) before tax		**16 067**	**4 062**
Current income tax	13	41	-1 216
Deferred income tax	13	-6 976	-134
Profit / (loss) for the period		**9 132**	**2 712**
Other comprehensive income			
Items that shall not be reclassified to profit / (loss)in subsequent periods (net of tax)			
Revaluation related to Property, plant and equipment transferred to Investment property	17	307	-
Items that may be reclassified to profit / (loss) in subsequent periods (net of tax):			
Net gain/(loss) on cash flow hedges	33	-	2 602
Total comprehensive income for the period		**9 439**	**5 314**
Basic and diluted earnings per share (in EUR)	29	**1,134**	**0,404**
Weighted average number of ordinary shares		**8 053 186**	**6 707 198**

*EBIT/EBITDA represents a profit from recurring Company activities before taxes, interest / amortization and depreciation, adjusted to other income and expenses, which are listed under EBIT/EBITDA, in particular profit / (loss) from financial operations representing foreign exchange gains / (losses). The EBIT/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).

The Notes provided on pages 200 to 268 constitute an integral part of the Separate financial statements. An overview of the profit and loss statement by particular segments is in Note 4 – Information about operating segments.

Separate statement of financial position

in TEUR	Note	31.10.2024	31.10.2023
Assets			
Goodwill and intangible assets	16	31 640	31 927
Property, plant and equipment	14	225 408	246 168
Right-of-use assets	15	70 681	59 092
Investment property	17	7 189	6 663
Equity-accounted investees	18	7 118	7 118
Loans provided	22	29 351	11 484
Other receivables	24	357	161
Investments in subsidiaries	19	122 044	45 573
Total non-current assets		**493 788**	**408 186**
Inventory	21	3 052	7 208
Trade receivables	23	27 796	3 961
Loans provided	22	87 313	145 996
Other receivables	24	1 668	1 349
Financial investments	27	36	36
Cash and cash equivalents	28	20 756	4 341
Other assets	26	3 687	4 745
Total current assets		**144 308**	**167 636**
Assets total		**638 096**	**575 822**
Equity	29		
Share capital		91 161	46 950
Share premium		106 220	30 430
Retained earnings		20 369	11 310
Other reserves		7 925	7 527
Total equity		**225 675**	**96 217**
Liabilities			
Loans and borrowings	30	265 845	79 558
Lease liabilities	31	62 598	55 455
Trade payables and other payables	32	323	864
Provisions	36	60	85
Other non-current liabilities	35	1 030	954
Bonds issued	37	-	166 643
Deferred tax liability	20	24 004	17 028
Total non-current liabilities		**353 860**	**320 587**
Loans and borrowings	30	19 991	27 018
Lease liabilities	31	8 470	7 566
Trade payables and other payables	32	16 098	17 890
Contract liabilities	34	7 879	8 983
Bonds issued	37	-	94 621
Corporate income tax liability	13	381	1 210
Other current liabilities	35	5 742	1 730
Total current liabilities		**58 561**	**159 018**
Total liabilities		**412 421**	**479 605**
Total equity and liabilities		**638 096**	**575 822**

The Notes provided on pages 200 to 268 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 2023	**46 950**	**30 430**	**7 347**	**180**	**-**	**11 310**	**96 217**
Profit / (Loss) for the period	-	-	-	-	-	9 132	**9 132**
Other components of comprehensive income, after tax							
- Items that shall not be reclassified to profit / (loss)							
Revaluation related to Property, plant and equipment transferred to Investment property	-	-	-	307	-	-	**307**
Total comprehensive income for the period	**-**	**-**	**-**	**307**	**-**	**9 132**	**9 439**
Issuance of new ordinary shares	44 211	75 790	-	-	-	-	**120 001**
Transfer of Retained earnings to Legal reserve fund	-	-	271	-	-	-271	-
Contribution to Social fund	-	-	-	-	-	18	**18**
Revaluation related to Investment property transferred to Property, plant and equipment	-	-	-	-180	-	180	**-**
Balance as at 31 October 2024	**91 161**	**106 220**	**7 618**	**307**	**-**	**20 369**	**225 675**

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 2022	**46 950**	**30 430**	**7 018**	**180**	**-2 602**	**8 943**	**90 919**
Profit / (Loss) for the period	-	-	-	-	-	2 712	**2 712**
Other components of comprehensive income, after tax							
- *Items that may be reclassified to profit / (loss):*							
Hedging Derivatives ("Cash Flow Hedge")	-	-	-	-	2 602	-	**2 602**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**2 602**	**2 712**	**5 314**
Transfer of Retained earnings to Legal reserve fund	-	-	329	-	-	-329	**-**
Contribution to Social fund	-	-	-	-	-	-16	**-16**
Balance as at 31 October 2023	**46 950**	**30 430**	**7 347**	**180**	**-**	**11 310**	**96 217**

The Notes provided on pages 200 to 268 constitute an integral part of the Separate financial statements.

Separate Cash Flow Statement

in TEUR	Note	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
OPERATING ACTIVITIES			
Profit for the period		**9 132**	**2 712**
Adjustments related to:			
Gain on disposal of property, plant and equipment and intangible assets		-194	-1 945
Depreciation and amortization	14,16	11 923	14 116
Depreciation of right-of-use assets	15	5 229	4 803
Creation of impairment to investments in subsidiaries	19	14 830	-
Impairment losses to financial assets	22,23,24,26	-23 657	7 392
Net (profit) / loss from financial operations	12	1 002	-1 572
Loss from disposal of subsidiaries	5	4 043	-
(Profit) / loss on revaluation of investment property	17	-41	-
Net interest expense / (income)	12	20 775	18 348
Change in provisions		-25	-53
Income tax	13	6 935	1 350
Change in trade receivables, other receivables and other assets		-8 794	3 819
Change in inventories		4 156	-4 579
Change in trade payables, contract liabilities and other liabilities		3 513	2 909
Cash flow from operating activity before income tax		**48 827**	**47 300**
Income tax paid		-788	-6
Cash flow from operating activity		**48 039**	**47 294**
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets	14,16	-8 230	-17 514
Proceeds from disposal of property, plant and equipment and intangible assets		591	3 662
Cost of acquisition of subsidiaries (capital contributions)	5	-7 060	-3 240
Income from the sale of shares in subsidiaries	5	231	-
Loans provided		-152 824	-6 031
Proceeds from loans provided		120 990	3 184
Interest received		1 502	10
Cash flow from investing activity		**-44 800**	**-19 929**
FINANCING ACTIVITIES			
Proceeds from issue of share capital		120 001	-
Repayment of lease liabilities		-13 600	-5 962
Repayment of received loans and borrowings		-85 934	-64 493
Proceeds from loans and borrowings		280 069	7 928
Bonds issued	37	-	56 457
Repayment of bonds		-259 000	-
Repayment of interest		-28 353	-22 286
Cash flow from financing activity		**13 183**	**-28 356**
Net increase/ (decrease) of cash and cash equivalents		16 422	-991
Influence of impairment allowance to cash and cash equivalents	28	-7	-
Cash and cash equivalents at the beginning of the year	28	4 341	5 332
Cash and cash equivalents at the end of the year	28	**20 756**	**4 341**

The Notes provided on pages 200 to 268 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.

On 28 March 2024, the Company sold its 73.7% share in company Korona Ziemi Sp. z o.o.. On 27 April 2024, company JASNÁ CENTRAL, s.r.o. was established with a registered capital of EUR 5 thousand, of which the Company became 100% owner. On 6 August 2024, company CENTRAL JASNÁ Property, a.s. was founded within the TMR Group, of which the Company became 100% owner. On 21 August 2024, the Company purchased a 100% share in company FORESPO HOREC A SASANKA a. s., for the purpose of acquiring real estate. The company was subsequently renamed to HOTEL SASANKA Property, a.s.. On 31 October 2024, the Company sold its 100% share in TMR Finance CR, a.s.

For more information refer to Note 19 - Investments in subsidiaries.

Company bodies are:

The Board of Directors
Ing. Igor Rattaj, the Chairman
Ing. Zuzana Ištvánfiová, the Vice Chairman
Čeněk Jílek, the Member (to 31 October 2024)
Ing. Marian Klas, the Member (since 1 November 2024)

The Supervisory Board:
Ing. František Hodorovský
Roman Kudláček
Ing. Andrej Devečka
Ing. Pavol Mikušiak
Mgr. Marek Schwarz
Ivan Oško
Miroslav Roth
Ing. Jozef Hodek (since 1 July 2023 to 31 May 2024)
Adam Tomis (since 17 April 2019 to 17 April 2024 and since 17 May 2024)
Naďa Ondrušiková (since 1 June 2024)

2. Significant accounting policies

(a) Statement of compliance

The separate financial statements for the period from 1 November 2023 to 31 October 2024 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 2025 and that shall be available at the Company headquarters.

The financial statements were approved by the Board of Directors on 28 February 2025.

(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 or other comprehensive income.

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 also 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 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 2023, 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 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).

(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 2024, 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 IAS 1 Presentation of financial statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Adopted by the EU on 19 December 2023 (effective for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments – Disclosures: Supplier Finance Arrangements – Adopted by the EU on 15 May 2024 (effective for annual periods beginning on or after 1 January 2024).
- Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback – Adopted by the EU on 20 November 2023 (effective for annual periods beginning on or after 1 January 2024),
- Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates – Non-exchangeability of currency – Adopted by the EU on 12 November 2024 (effective for annual periods beginning on or after 1 January 2025)
- Amendments to IFRS 9 Financial Instruments – Derecognition of financial liabilities settled by electronic transfer and classification of financial assets, and amendments to IFRS 7 Financial Instruments: Disclosures – Disclosure of investments in equity instruments measured at fair value through other comprehensive income, contractual terms that may change the timing or amount of contractual cash flows, and adjustments to Other Standards – issued by the International Accounting Standards Board ("IASB") on 30 May 2024. Following EU adoption, the amendments are expected to be effective for annual periods beginning on or after 1 January 2026.
- IFRS 18 Presentation and Disclosure in financial statements – issued by the IASB on 9 April 2024. Following EU adoption, the standard is expected to be effective for annual periods beginning on or after 1 January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures – issued by the IASB on 9 May 2024. Following EU adoption, the standard is expected to be effective for annual periods beginning on or after 1 January 2027.
- Amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or joint venture – in December

2015, the IASB indefinitely postponed the effective date of these amendments until the outcome of its research project on the equity method of accounting is known. The amendments have not yet been adopted by the EU.

Based on the information available, the Company assumes that the issuance of not yet effective Amendment to IFRS 16 Leases – Lease Liability in a Sale and Leaseback, will have following impact on the financial statements as at 1 November 2024:

Separate statement of financial position *in TEUR*	**1 November 2024**
Right-of-use assets	8 917
Lease liabilities	8 917
Net impact on equity	-

The Company anticipates that the issuance of other new, but not yet effective International Standards, will not affect the financial statements significantly.

(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. The given change 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. Methods of depreciation, estimated useful life, and residual value are reassessed annually as at the financial statement's date.

As at 31 October 2024, the Company reassessed the estimated useful life of individual items of fixed assets, resulting in adjustments and extensions of estimated useful lives in the following categories of assets:

Estimated useful life	**31.10.2024**	**31.10.2023**
Buildings	30 – 75 years	30 – 45 years
Cableways and ski lifts		
• Fixed structures and other objects	30 – 50 years	20 – 40 years
• Technology and accessories	15 – 30 years	4 – 12 years
Snowmaking:		
• Water reservoirs, distribution systems, and technology	20 – 45 years	20 – 45 years
• Terminal equipment (e.g., snow guns)	15 – 20 years	6 – 30 years
Slopes:		
• Snow barriers and terrain modifications	15 – 45 years	15 – 45 years
• Track technology	20 years	20 years
• Snow grooming vehicles (snowcats)	8 – 10 years	6 – 8 years
Inventory and others	3 – 6 years	5 – 10 years

Each significant part of property, plant and equipment with cost individually 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 realize 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. Effective since 1 November 2024, the loyalty program for the Company's clients has been changed to a system Gopass Cashback based on earning cashback in the form of GoX, which can subsequently be used to purchase additional products and services offered by the Gopass Cashback program's business partners. Starting from 1 November 2024, the Company accounts for cashback in the form of a rebate as a reduction in revenue from the original purchase.

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 amortized.

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 valued at amortized costs. 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, lease liabilities, 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 summarize 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 received

For loans and borrowings received 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 received 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 2024 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 2023 and 2024, 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	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
Calculation assumptions		
Horizon for cash flow projection	23 years	24 years
Growth in the terminal year	2 %	3.7 %
Average annual EBITDA/revenue growth	1.9 %	2.6 %
Average annual growth in the number of visitors	0.24 %	0.46 %
Discount rate used during cash flow projection	10.10 %	10.94 %
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	-8 788	-8 554
Decrease of EBITDA by 5 % – resulting impairment	-	-
Increase of discount rate by 0.5 % – impact on value in use	-9 313	-8 671
Increase of discount rate by 0.5 % – resulting impairment	-	-
Marginal decrease of EBITDA	-28.11 %	-18.08 %
Marginal value of discount rate	13.71 %	13.04 %

In 2024 and 2023, 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 investments in subsidiaries and 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 Tatralandia, 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 2024 the Company did not perform impairment testing of non-financial assets for CGU Low Tatras and other CGUs (except for CGU High Tatras, to which goodwill is allocated) as no internal or external indicators of possible impairment for the given CGUs were identified.

As at 31 October 2024 the Company conducted an impairment test of its investment in a company TMR Parks, which is the parent accounting entity of EUROCOM Investment, s.r.o. in Slovakia and Ślaskie Wesole Miasteczko Sp. z o. o. (hereinafter referred to as "SWM") in Poland. As at 31 October 2023 loans provided by the Company to SWM and TMR Parks had a carrying amount of EUR 85,300 thousand, for which an individually assessed impairment allowance was created in the amount of EUR 26,171 thousand. The total loans provided amounting to EUR 57,171 thousand, were as at 31 October 2024 assigned from TMR to TMR Parks resulting in the full reversal of the individually assessed impairment allowance related to the provided loans. Additionally, as at 31 October 2024 the Company increased its other capital funds in TMR Parks to the amount of EUR 84,659 thousand. For more information, see note 22 - Loans provided.

The results of the test confirmed the impairment of the investment in TMR Parks, leading the Company to create the allowance to non-financial assets in the amount of EUR 14,830 thousand. The cash flow projections used to determine the value in use cover the base horizon with subsequent extrapolation for the following period. The Company used the 18-year and 22-year projection. The discount rate applied in the cash flow projections corresponds to the cost of equity.

Following table summarizes assumptions, result and sensitivity of impairment of the investment in a subsidiary TMR Parks:

in TEUR	**1.11.2023 - 31.10.2024**
	TMR Parks
Calculation assumptions	
Horizon for cash flow projection	18 - 22 years
Growth in the terminal year	2 %
Average annual EBITDA/revenue growth	1.96 % - 2.1 %
Average annual growth in the number of visitors	0.32 % - 2 %
Discount rate used during cash flow projection	10.9 % - 11 %
Result and sensitivity	
Impairment for the period	-14 830
Impairment at the end of the period	-14 830
Decrease of EBITDA by 5 % – impact on value in use	-3 245
Decrease of EBITDA by 5 % – resulting impairment	-18 075
Increase of discount rate by 0.5 % – impact on value in use	-3 410
Increase of discount rate by 0.5 % – resulting impairment	-18 240
Marginal decrease of EBITDA	0 %
Marginal value of discount rate	0 %

As at 31 October 2023 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**
Calculation assumptions	
Horizon for cash flow projection	24 years
Growth in terminal year	3.7 %
Average annual EBITDA/revenue growth	2.8 %
Average annual growth in the number of visitors	0.59 %
Discount rate used during cash flow projection	10.94 %
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
Decrease of EBITDA by 5 % – resulting impairment	-
Increase of discount rate by 0.5 % – impact on value in use	-10 311
Increase of discount rate by 0.5 % – resulting impairment	-
Marginal decrease of EBITDA	-15.79 %
Marginal value of discount rate	12.75 %

(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 2023, the Company booked an individually assessed impairment allowance for expected credit losses during the total remaining life of the loans to SWM in the total amount of EUR 26,171 thousand.

As at 31 October 2024 the Company transferred loans totaling EUR 57,171 thousand provided to SWM to TMR Parks. Subsequently, the Company released the individually assessed impairment allowance for credit losses against SWM in the full amount, the current amount of the individually assessed impairment allowance against SWM is EUR 0 thousand. For more information, refer to Note 22 - Loans provided.

(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		**Carrying value**		**Fair value**	
		31.10.2024	**31.10.2023**	**31.10.2024**	**31.10.2023**
Financial assets					
Loans provided	22	116 664	157 480	114 764	155 719
Total		**116 664**	**157 480**	**114 764**	**155 719**

in TEUR		**Carrying value**		**Fair value**	
		31.10.2024	**31.10.2023**	**31.10.2024**	**31.10.2023**
Financial liabilities					
Bonds issued	37	-	261 264	-	259 746
Total		**-**	**261 264**	**-**	**259 746**

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.

Information about operating segments - Separate profit and loss statement

	Mountain Resorts		Leisure Parks		Hotels		Dining		Sports Services and Stores		Real Estate		Main Segments TOTAL		Other		TOTAL	
in TEUR	31.10.24	31.10.23	31.10.24	31.10.23	31.10.24	31.10.23	31.10.24	31.10.23	31.10.24	31.10.23	31.10.24	31.10.23	31.10.24	31.10.23	31.10.24	31.10.23	31.10.24	31.10.23
	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*
Revenue	59 183	53 163	11 286	10 006	48 063	43 815	22 592	20 907	5 439	4 837	5 719	2 889	**152 282**	**135 617**	-	-	**152 282**	**135 617**
Material and goods consumption	-3 019	-2 575	-822	-782	-7 575	-7 993	-5 673	-5 613	-1 503	-1 386	-5 215	-1 526	**-23 807**	**-19 875**	-	-	**-23 807**	**-19 875**
Purchased services	-14 633	-12 772	-1 841	-2 821	-15 062	-12 715	-3 834	-3 616	-788	-700	-532	-340	**-36 690**	**-32 964**	-	-	**-36 690**	**-32 964**
Personnel expenses	-12 110	-11 173	-2 448	-2 251	-16 609	-15 630	-7 588	-6 191	-2 031	-1 637	-393	-174	**-41 179**	**-37 056**	-	-	**-41 179**	**-37 056**
Other operating expenses	-305	-273	-87	-71	-392	-390	-172	-160	-52	-42	-7	-7	**-1 015**	**-943**	-	-	**-1 015**	**-943**
Other operating income	86	27	4	11	237	2 227	146	112	5	-6	103	-	**581**	**2 371**	-	-	**581**	**2 371**
Gain / (loss) on revaluation of investment property	-	-	-	-	-	-	-	-	-	-	41	-	**41**	**-**	-	-	**41**	**-**
Release / (Creation) of Impairment Losses to Financial Assets	-	-	26 172	-	-1 982	-2	-	-	-8	-	-	-	**24 182**	**-2**	-525	-7 391	**23 657**	**-7 393**
Depreciation and amortization	-7 969	-9 722	-159	-131	-2 503	-2 821	-881	-943	-186	-292	-225	-207	**-11 923**	**-14 116**	-	-	**-11 923**	**-14 116**
Depreciation of right-of-use assets	-2 966	-2 884	-1 484	-1 155	-527	-548	-212	-171	-40	-45	-	-	**-5 229**	**-4 803**	-	-	**-5 229**	**-4 803**
Interest income calculated using effective interest rate	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	9 035	7 523	**9 035**	**7 523**
Financing cost	-13 252	-9 959	-5 245	-1 552	-6 833	-7 338	-3 017	-3 707	-783	-1 469	-681	-1 846	**-29 811**	**-25 871**	-	-	**-29 811**	**-25 871**
Profit / (loss) from investment in subsidiaries	-	-	-14 830	-	-	-	-	-	-	-	-	-	**-14 830**	**-**	-	-	**-14 830**	**-**
Net profit / (loss) on financial operations	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	-1 002	1 572	**-1 002**	**1 572**
Net profit / (loss) on disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-4 043	-	**-4 043**	-
Profit / (loss) of the segment before taxes	**5 015**	**3 832**	**10 546**	**1 254**	**-3 183**	**-1 395**	**1 361**	**618**	**53**	**-740**	**-1 190**	**-1 211**	**12 602**	**2 358**	**3 465**	**1 704**	**16 067**	**4 062**
Current income tax																	41	-1 216
Deferred income tax																	-6 976	-134
Profit/ (Loss)																	**9 132**	**2 712**

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	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**
Goodwill	23 770	23 770	-	-	3 390	3 390	-	-	-	-	-	-	**27 160**	**27 160**	-	-	**27 160**	**27 160**
Intangible assets	2 895	3 232	1 020	1 153	428	331	88	23	28	18	21	10	**4 480**	**4 767**	-	-	**4 480**	**4 767**
Property, plant and equipment	140 510	147 336	8 145	7 819	57 838	72 351	13 916	14 442	1 400	1 413	2 967	1 224	**224 776**	**244 585**	632	1 583	**225 408**	**246 168**
Right-of-use assets	33 994	30 943	30 969	21 613	3 074	3 988	2 020	1 803	624	745	-	-	**70 681**	**59 092**	-	-	**70 681**	**59 092**
Investments property	-	-	-	-	-	-	-	-	-	-	7 189	6 663	**7 189**	**6 663**	-	-	**7 189**	**6 663**
Inventory	663	701	-	-	1 153	943	-	581	1 236	1 025	-	3 958	**3 052**	**7 208**	-	-	**3 052**	**7 208**
Trade receivables	1 447	1 813	576	536	611	538	506	220	84	15	24 572	839	**27 796**	**3 961**	-	-	**27 796**	**3 961**
Investments in an associate and a joint venture	7 118	7 118	-	-	-	-	-	-	-	-	-	-	**7 118**	**7 118**	-	-	**7 118**	**7 118**
Investments in subsidiaries	43 888	40 798	72 157	3 472	4 653	-	-	-	-	-	38	10	**120 736**	**44 280**	1 308	1 293	**122 044**	**45 573**
Other receivables	719	644	55	375	578	453	192	25	179	13	302	-	**2 025**	**1 510**	-	-	**2 025**	**1 510**
Financial investments	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	36	36	**36**	**36**
Other assets	1 414	1 803	128	381	994	2 384	285	38	111	139	-	-	**2 932**	**4 745**	755	-	**3 687**	**4 745**
Loans provided	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	116 664	157 480	**116 664**	**157 480**
Cash and cash equivalents	8 067	1 702	1 538	320	6 551	1 402	3 079	669	741	155	780	93	**20 756**	**4 341**	-	-	**20 756**	**4 341**
Corporate Tax Claim																		
Assets total	**264 485**	**259 860**	**114 588**	**35 669**	**79 270**	**85 780**	**20 086**	**17 801**	**4 403**	**3 523**	**35 869**	**12 797**	**518 701**	**415 430**	**119 395**	**160 392**	**638 096**	**575 822**

	Mountain Resorts		Leisure Parks		Hotels		Dining		Sports Services and Stores		Real Estate		Main Segments TOTAL		Other		TOTAL	
in TEUR	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**	**31.10.24**	**31.10.23**
Loans and borrowings long-term	-	45 654	-	21 488	-	9 020	-	2 263	-	1 132	-	-	**-**	**79 558**	265 845	-	**265 845**	**79 558**
Loans and borrowings short-term	-	20 765	-	5 643	-	590	-	14	-	7	-	-	**-**	**27 018**	19 991	-	**19 991**	**27 018**
Lease liabilities	34 751	35 141	30 224	21 528	3 263	3 754	2 151	1 852	679	746	-	-	**71 068**	**63 021**	-	-	**71 068**	**63 021**
Trade payables and other payables	7 457	8 517	1 663	1 899	4 316	4 929	1 623	1 854	432	493	930	1 062	**16 421**	**18 754**	-	-	**16 421**	**18 754**
Other liabilities	3 168	1 555	330	33	1 474	217	669	69	159	16	167	10	**5 967**	**1 900**	806	784	**6 773**	**2 684**
Contract liabilities	1 127	4 269	430	462	6 322	4 143	-	-	-	-	-	109	**7 879**	**8 983**	-	-	**7 879**	**8 983**
Provisions	33	46	3	5	15	21	7	10	1	2	1	1	**60**	**85**	-	-	**60**	**85**
Bonds issued	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	-	261 264	**-**	**261 264**
Deferred tax liability	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	24 004	17 028	**24 004**	**17 028**
Corporate income tax	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**	381	1 210	**381**	**1 210**
Total liabilities	**46 536**	**115 947**	**32 650**	**51 058**	**15 390**	**22 674**	**4 450**	**6 062**	**1 271**	**2 396**	**1 098**	**1 182**	**101 395**	**199 319**	**311 027**	**280 286**	**412 422**	**479 605**

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 19 - 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 14 February 2024, the Company, by the decision of the sole shareholder, committed to increase the other capital funds in the subsidiary Tatry Mountain Resorts AT GmbH in amount of EUR 2,350 thousand.

On 27 February 2024, the Company increased its equity stake in subsidiary Korona Ziemi Sp. z. o.o. by raising the share capital by the amount of PLN 33 thousand by issuing 66 new shares with a nominal value of PLN 500 each.

On 28 March 2024, the Company sold its 73.7% share in Company Korona Ziemi Sp. z o.o.. The consideration transferred was EUR 231 thousand and the transaction resulted in a loss on disposal of the subsidiary amounting to EUR 1,876 thousand.

On 27 April 2024, company JASNÁ CENTRAL, s.r.o. was established with a registered capital of EUR 5 thousand, of which the Company became 100% owner.

On 6 August 2024, company CENTRAL JASNÁ Property, a.s. was founded within the TMR Group with a registered capital of EUR 28 thousand of which the Company became the 100% owner.

On 21 August 2024, the Company purchased a 100% share in company FORESPO HOREC A SASANKA a. s. with a registered capital of EUR 2,625 thousand for consideration of EUR 4,654 thousand, for the purpose of acquiring real estate. The company was subsequently renamed to HOTEL SASANKA Property, a.s.

On 31 October 2024, the Company as the sole shareholder of subsidiary, provided a voluntary cash contribution outside of the share capital to subsidiary TMR Finance CR, a.s. amounting to CZK 54,445 thousand (equivalent: EUR 2,150 thousand). On 31 October 2024, the Company sold its 100% share in Company TMR Finance CR, a.s.. The consideration transferred was 1 euro and the transaction resulted in a loss on disposal of the subsidiary amounting to EUR 2,167 thousand.

On 31 October 2024, the Company committed to increase the other capital funds in subsidiary TMR Parks, a.s. by offsetting transferred loans from Tatry mountain resorts, a.s. to company TMR Parks, a.s. against Śląskie Wesołe Miasteczko Sp. z o. o. amounting to EUR 52,639 thousand (as at 31 October 2024: total value of transferred loans was EUR 57,171 thousand and total value of transferred received loans was EUR 4,532 thousand) and by offsetting a bill of exchange valued at EUR 32,020 thousand (as at 31 October 2024: value of the bill of exchange: EUR 32,020 thousand, as at 31 October 2023: value of the bill of exchange: EUR 30,354 thousand), resulting in the total gross value of the investment in other capital funds of TMR Parks, a.s. reported by the Company amounted to EUR 84,659 thousand as at 31 October 2024 (31 October 2023: EUR 0 thousand). As at 31 October 2024, in connection with the investment in other capital funds of company TMR Parks, a.s. an allowance was created in the amount of EUR 14,830 thousand (31 October 2023: 0 thousand).

6. Revenue

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Low Tatras	57 380	52 275
High Tatras	52 518	47 194
Tatralandia	22 809	20 608
Bešeňová	11 402	10 067
Real estate	5 574	2 780
Other	2 599	2 693
Total	**152 282**	**135 617**

7. Material and goods consumption

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Material in hotels and restaurant facilities	-11 286	-10 756
Goods	-2 282	-2 432
Costs of real estate sold	-5 186	-1 517
Fuels	-856	-948
Material for repair and maintenance	-1 439	-1 087
Material and goods – other	-2 758	-3 135
Total	**-23 807**	**-19 875**

8. Purchased services

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Energy consumption	-10 015	-14 062
Advertisement expenses	-3 293	-2 349
Rental costs (cost of premises) and others	-1 771	-2 435
Other administrative expenses	-4 024	-3 894
Repairs and maintenance expenses	-1 926	-2 296
Communication expenses	-1 959	-1 825
Legal advice expenses	-1 003	-646
Services related to owned premises	-6 010	-570
Transport, accommodation, travel expenses	-1 051	-812
Laundry and cleaning costs	-1 554	-1 252
Music and animation costs	-847	-927
Guard and security service costs	-190	-249
Accounting and audit costs	-258	-266
Other purchased services	-3 832	-2 271
State aid related to rental costs and other costs	1 043	890
Total	**-36 690**	**-32 964**

Within the other purchased services, the amount of EUR 1,358 thousand represents costs related to the organization of the women's alpine skiing world cup in Jasná.

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 2023 and 31 October 2024, the expense of these items represented EUR 240 thousand (for the period ended on 31 October 2023: EUR 235 thousand) for auditing of year-end financial statements.

9. Personnel expenses

in TEUR	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
Wages and salaries	-23 104	-19 714
Personnel leasing	-7 184	-6 512
Social security (compulsory)	-9 362	-8 436
Remuneration of members of key management and Supervisory Board	-1 511	-2 377
Other social expenses	-18	-17
State aid related to wages and salaries	-	-
Total	**-41 179**	**-37 056**

In the period between 1 November 2023 and 31 October 2024, the average number of Company employees was 988, of which management 8 (between 1 November 2023 and 31 October 2024, it was 996, of which management 9). The number of employees of the Company as at 31 October 2024 was 952, of which management 8 (as at 31 October 2023: 988, of which management 9). During the year, the Company used the services of employment agencies for short-term personnel leasing. In the period between 1 November 2023 and 31 October 2024 it was 291 employees in average (between 1 November 2023 and 31 October 2024: 344 employees).

The table below provides an overview of the Company's key management remuneration for the period from 1 November 2023 to 31 October 2024:

in TEUR

Remuneration of members of key management	**Base remuneration**	**Extraordinary bonuses**	**Variable component of renumeration**	**Total**
Board of Directors	240		947	1 187
Supervisory Board	63	-	-	63
Top management	261	-	-	261
Audit Committee*	-	-	-	-
Total	**564**	**-**	**947**	**1 511**

* Audit Committee function is carried out by the Supervisory Board

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**

For the year ending 31 October 2024, base remuneration for top management amounted EUR 261 thousand (from 1 November 2022 to 31 October 2023: EUR 204 thousand). Extraordinary remuneration was paid to members of the top management in the total amount of EUR 0 thousand (from 1 November 2022 to 31 October 2023: EUR 200 thousand).

Members of the Board of Directors of the Company, in accordance with the Rules of Remuneration of Company Bodies dated 31 May 2024 (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 2024, fixed remuneration components totaling EUR 240 thousand were paid to the members of the Board of Directors (from 1 November 2022 to 31 October 2023: EUR 206 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 2023 to 31 October 2024 in the value of EUR 947 thousand (from 1 November 2022 to 31 October 2023: EUR 1688 thousand) is disclosed as a provision for the variable remuneration component of the members of the Board of Directors.

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 2024, basic remuneration totaling EUR 63 thousand was paid (from 1 November 2022 to 31 October 2023: EUR 79 thousand).

10. Other operating expense

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Insurance (property, automobiles, travel cost)	-344	-368
Fees and commissions	-500	-406
Shortages and losses	-153	-154
Other operating expenses	-18	-15
Total	**-1 015**	**-943**

11. Other operating income

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Claims paid by insurance company	21	23
Other operating income	366	403
Gain on sale of assets	194	1 945
Total	**581**	**2 371**

12. Finance income and expense

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Interest income calculated using effective interest rate	9 035	7 523
Financing costs	-29 811	-25 871
Net profit / (loss) on financial operations	-1 002	1 572
Total	**-21 778**	**-16 776**

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	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Interest expense related to loans and borrowings	-7 872	-7 186
Interest expense from bonds issued	-17 333	-14 900
Interest expense from leasing	-4 606	-3 791
Income associated with hedging derivative transaction SWAP	-	6
Financing costs total	**-29 811**	**-25 871**

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 2023 to 31 October 2024, the Company capitalized interest expense into assets with a total value of EUR 0 thousand (from 1 November 2022 to 31 October 2023: EUR 94 thousand).

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Cost of administration of financial instruments	-1 514	-273
Net Foreign exchange gains	512	1 845
Net profit / (loss) on financial operations total	**-1 002**	**1 572**

13. Current and deferred income tax

Deferred income tax is calculated using tax rates, which are expected in a period in which the receivable is realized, or the liability is settled. Effective from 1 January 2025, a new 24% corporate income tax rate will apply to taxable income exceeding EUR 5,000 thousand. For the calculation of deferred income tax for entities with a fiscal year accounting period, the new tax rate will apply only to accounting periods beginning on or after 1 January 2025. As a result, the Company used the following tax rates for the calculation of deferred income tax as of 31 October 2024:

- 21% for calculating deferred tax on temporary differences arising in Slovakia that are expected to be settled within one year,
- 24% for calculating deferred tax on temporary differences arising in Slovakia that are expected to be settled in later periods.

in TEUR	1.11.2023 - 31.10.2024	1.11.2022 - 31.10.2023
Current tax:		
Tax of current accounting period	81	-1 210
Withholding tax on interest	-40	-6
	41	**-1 216**
Deferred tax:		
Posting and release of temporary differences	-10 071	-134
Change of tax rate	3 095	-
	-6 976	-134
Total income tax	**-6 935**	**-1 350**

Income tax reported through other components of comprehensive income

in TEUR	1.11.2023 - 31.10.2024 Before taxes	Tax	After taxes	1.11.2022 - 31.10.2023 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	-	-	-	3 293	691	2 602
Total comprehensive income	**-**	**-**	**-**	**3 293**	**691**	**2 602**

Reconciliation of the effective tax rate

in TEUR	1.11.2023 - 31.10.2024 %		1.11.2022 - 31.10.2023 %	
Profit before taxes		**16 067**		**4 062**
Tax rate 21%	21%	3 374	21%	853
Tax non-deductible expenses	7%	1 200	18%	749
Income not subject to tax	0%	-43	0%	-
Current tax: withholding tax on interest	0%	40	0%	6
Tax losses claimed during the period, to which the deferred tax was not accounted for	-4%	-611	-7%	-282
Deferred tax asset not recognized	-1%	-120	1%	24
Change of tax rate	19%	3 095	0%	-
Total	**43%**	**6 935**	**33%**	**1 350**

Movements of deferred tax liability (net) for the period ending 31 October 2024 and 31 October 2023

2024

in TEUR	Balance as at 1 November 2023	Reported in profit and loss statement	Reported in other comprehensive income	Acquired through business combinatio n	Balance as at 31 October 2024
Non-current tangible and intangible assets	-23 703	-4 942	-	-	-28 645
Investment property	-439	-464	-	-	-903
Losses from impairment of trade receivables, loans provided and other assets	6 338	-4 788	-	-	1 550
Provisions and liabilities	911	-159	-	-	752
Leases (IFRS 16)	-322	5	-	-	-317
Tax losses	187	-187	-	-	-
Impairment allowance to Investments in subsidiaries	-	3 559	-	-	3 559
Total, net	**-17 028**	**-6 976**	**-**	**-**	**-24 004**

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, other receivables, loans provided 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**

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 1.11.2022	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 Investment property	747	-	-	747
Transfer from Right-of-use assets	277	1 899	-	2 176
Transfers within Property, plant and equipment	7 515	6 904	-14 419	-
Balance as at 31.10.2023	**229 242**	**148 189**	**16 844**	**394 277**
Opening balance as at 1.11.2023	229 242	148 189	16 844	394 277
Additions	1 564	1 516	5 091	8 171
Disposals	-439	-5 627	-16 779	-22 845
Transfer to Investment property	-189	-	-	-189
Transfer from Right-of-use assets	484	632	-	1 116
Transfers within Property, plant and equipment	260	46	-306	-
Balance as at 31.10.2024	**230 922**	**144 756**	**4 850**	**380 530**
Accumulated depreciation and losses from impairment of assets				
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**
Opening balance as at 1.11.2023	-69 806	-78 303	-	-148 109
Depreciation of current accounting period	-5 989	-5 588	-	-11 577
Disposals	102	5 104	-	5 206
Transfer from Right-of-use assets	-298	-355	-	-653
Transfer to Investment Property	11	-	-	11
Balance as at 31.10.2024	**-75 980**	**-79 142**	**-**	**-155 122**
Carrying value				
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**
As at 1.11.2023	**159 436**	**69 886**	**16 844**	**246 168**
As at 31.10.2024	**154 942**	**65 614**	**4 850**	**225 408**

In the period from 1 November 2023 to 31 October 2024, the Company made investments totaling EUR 8,171 thousand. The Company invested EUR 3,738 thousand into the continuation of the construction of the Centrum Jasná complex, EUR 705 thousand for the acquisition of land in High Tatras, EUR 236 thousand for improving snowmaking in High Tatras, and EUR 229 thousand in the area of IT infrastructure. The Company also made additional smaller operational investments across its mountain resorts.

On 10 October 2024, the Company sold unfinished under-construction project of Centrum Jasná complex in the carrying amount of EUR 15,263 thousand to its subsidiary CENTRAL JASNÁ Property a.s. for EUR 15,366 thousand.

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.

The Company reclassified right-of-use assets with the accounting residual value of EUR 463 thousand (from 1 November 2022 to 31 October 2023: EUR 1,055 thousand) due to the termination of financial leasing during the period from 1 November 2023 to 31 October 2024.

As at 1 November 2023, the Company leased out part of the premises of BIVAC Club located in Štrbské Pleso, resulting in a transfer from the category of Property, Plant and Equipment to Investment Properties at a carrying amount of EUR 178 thousand.

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 2024 and 31 October 2023, the Company did not recognize any impairment of property, plant and equipment.

Property Insurance

in TEUR	**31.10.2024**	**31.10.2023**
Natural disaster and vandalism	495 705	499 044
General machinery risks	33 838	32 797
Liability for damage	5 706	5 706

Security

As at 31 October 2024, Property, plant and equipment in the amount of EUR 221,102 thousand were used as the security of the bank loans and bonds (as at 31 October 2023: in the amount of EUR 227,460 thousand).

Capitalized financial costs

As at 31 October 2024, the Company capitalized the interest expenses into the assets in the amount of EUR 0 thousand (as at 31 October 2023: EUR 94 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
Opening balance as at 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	-262
Modifications	3 545	-60	3 488
Balance as at 31.10.2023 / 1.11.2023	**65 501**	**7 507**	**73 008**
Additions	593	3 057	3 650
Transfer to Property, plant and equipment	-484	-632	-1 116
Disposals	-300	-664	-964
Modifications	13 611	21	13 632
Balance as at 31.10.2024	**78 921**	**9 289**	**88 210**
Accumulated depreciation			
Opening balance as at 1.11.2022	**-7 177**	**-3 309**	**-10 486**
Depreciation of current accounting period	-3 453	-1 350	-4 803
Transfer to Property, plant and equipment	120	1 003	1 121
Disposals	18	234	252
Balance as at 31.10.2023/ 01.11.2023	**-10 493**	**-3 424**	**-13 916**
Depreciation of current accounting period	-3 903	-1 326	-5 229
Transfer to Property, plant and equipment	298	355	653
Disposals	300	663	963
Balance as at 31.10.2024	**-13 798**	**-3 732**	**-17 529**
Carrying value			
As at 31.10.2023	**55 009**	**4 083**	**59 092**
As at 31.10.2024	**65 123**	**5 557**	**70 681**

Modifications totaling EUR 13,632 thousand are mainly represented by a modification of a lease contract based on which the Company leases the water park Tatralandia from the company TMR Parks. Increase in a lease amount for the water park Tatralandia, that takes into consideration the seasonality during a lease year, has caused the increase in right of use assets within a category Land and buildings by EUR 10,904 thousand.

16. Goodwill and intangible assets

in TEUR	Goodwill	Valuable rights	Software	Intangible assets under construction	Total
Cost					
Opening balance as at 1.11.2022	27 510	5 221	2 911	22	35 664
Additions	-	-	103	-	103
Disposals	-	-	-18	-1	-19
Transfers within Goodwill and intangible assets	-	-	21	-21	-
Balance as at 31.10.2023	**27 510**	**5 221**	**3 017**	**-**	**35 748**
Opening balance as at 1.11.2023	27 510	5 221	3 017	-	35 748
Additions	-	-	44	15	59
Balance as at 31.10.2024	**27 510**	**5 221**	**3 061**	**15**	**35 807**
Accumulated depreciation and losses from impairment of assets					
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**
Opening balance as at 1.11.2023	-350	-1 197	-2 274	-	-3 821
Depreciation of current accounting period	-	-141	-205	-	-346
Balance as at 31.10.2024	**-350**	**-1 338**	**-2 479**	**-**	**-4 167**
Carrying value					
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**
As at 1.11.2023	**27 160**	**4 024**	**743**	**-**	**31 927**
As at 31.10.2024	**27 160**	**3 883**	**582**	**15**	**31 640**

17. Investment property

in TEUR	**31.10.2024**	**31.10.2023**
Opening balance as at 1.11.2023 / 1.11.2022	6 663	7 411
Transfer from Property, plant and equipment	178	-
Transfer to Property, plant and equipment	-	-747
Revaluation at fair value	348	-
Balance as at 31.10.2024 / 31.10.2023	**7 189**	**6 663**

As at 31 October 2024, the Investment property is represented by hotel Kosodrevina, Chata Solisko, Vila Zámoček and BIVAC Club with an aggregate book value of EUR 1,567 thousand (as at 31 October 2023: EUR 1, 042 thousand), which are leased out to third parties that operate them. Hotel Kosodrevina is located in the Low Tatras, Chata Solisko, Vila Zámoček and BIVAC Club are located in the High Tatras. In addition, the Investment property also includes forest areas and parcels in Starý Smokovec in the book value of EUR 5,622 thousand (as at 31 October 2023: EUR 5,622 thousand) that were acquired by acquisition in 2009.

The transfer from Property, plant and equipment of EUR 178 thousand includes the transfer of part of the BIVAC Club, which has been leased to a third party since 1 November 2023. Based on contractual and market conditions, the value of Investment property was reassessed upwards by EUR 348 thousand as at 31 October 2024. As at 31 October 2023, the management of the Company concluded that the assumptions that would lead to a change in the value of these investments had not changed significantly.

During financial year ending 31 October 2023: 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.

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 719 thousand higher or lower compared to the amount reported as at 31 October 2024 (as at 31 October 2023: EUR 666 thousand).

In the period between 1 November 2023 and 31 October 2024, the income from Investment property accounted for EUR 98 thousand and direct operating cost related to Investment property was EUR 6 thousand (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).

Security
As at 31 October 2024, a part of Investment property in the amount of EUR 1,029 thousand was used as the security for bank loans (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).

18. Equity-accounted investees

in TEUR	31.10.2024	31.10.2023
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 2024, the stake in MELIDA a.s. is reported as an investment in associates at cost.

The book value 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	31.10.2024	31.10.2023
Investments in share capital		
Szczyrkowski Ośrodek Narciarski S.A.. (as at 31.10.2024: 98.6% stake, as at 31.10.2023: 97% stake)	7 214	7 191
HOTEL SASANKA Property, a.s. (100% stake)	4 654	-
Muttereralm Bergbahnen Errichtungs GmbH (90% stake)	3 714	3 714
TMR Parks, a.s. (100% stake)	2 327	2 327
GOPASS SE (100% stake)	1 220	1 220
Tatry mountain resorts ČR, a.s. (100% stake)	79	79
TMR Ještěd a.s. (100% stake)	75	75
Mölltaler Gletscherbahnen GmbH (90% stake)	33	33
Tatry mountain resorts AT GmbH (100% stake)	32	32
CENTRAL JASNÁ Property, a.s. (100% stake)	28	-
International TMR Services, s.r.o. (100% stake)	8	8
TMR Real Estate, s.r.o. (100% stake)	5	5
Štrbské Pleso resort, s.r.o. (100% stake)	5	5
JASNÁ CENTRAL, s.r.o. (100% stake)	5	-
Mölltaler Gletscherbahnen GmbH & CO KG (90% stake)	0,002	0,002
Korona Ziemi Sp. z o.o. (73.7% stake)	-	317
TMR Finance CR, a.s. (100% stake)	-	78
	19 399	**15 084**
Investments in other capital funds		
TMR Ještěd a.s.	7 575	7 598
Tatry mountain resorts AT GmbH	2 350	-
Mölltaler Gletscherbahnen GmbH & Co KG	22 891	22 891
TMR Parks, a.s.	84 659	-
Investments in Other Equity Funds - Provisions		
TMR Parks, a.s.	-14 830	-
	102 645	**30 489**
Total	**122 044**	**45 573**

Changes from 1 November 2023 to 31 October 2024:

On 31 October 2024, the Company committed to increase the other capital funds in subsidiary TMR Parks, a.s. by offsetting transferred loans from Tatry mountain resorts, a.s. to company TMR Parks, a.s. against Śląskie Wesołe Miasteczko Sp. z o. o.. amounting to EUR 52,639 thousand (as at 31 October 2024: total value of transferred loans was EUR 57,171 thousand and total value of transferred received loans was EUR 4,532 thousand) and by offsetting a bill of exchange valued at EUR 32,020 thousand (as at 31 October 2024: value of the bill of exchange: EUR 32,020 thousand, as at 31 October 2023: value of the bill of exchange: EUR 30,354 thousand), whereby the total gross value of the investment in other capital funds of TMR Parks, a.s. reported by the Company amounted to EUR 84,659 thousand as at 31 October 2024 (31 October 2023: EUR 0 thousand). As at 31 October 2024, in connection with the investment in other capital funds of company TMR Parks, a.s. an allowance was created in the amount of EUR 14,830 thousand (31 October 2023: EUR 0 thousand).

On 31 October 2024, the Company as the sole shareholder of subsidiary, provided a voluntary cash contribution outside of the share capital to subsidiary TMR Finance CR, a.s. amounting to CZK 54,445 thousand (equivalent: EUR 2,150 thousand). On 31 October 2024, the Company sold its 100% share in company TMR Finance CR, a.s.. The consideration transferred was 1 euro and the transaction resulted in a loss on disposal of the subsidiary amounting to EUR 2,167 thousand.

On 21 August 2024, the Company purchased a 100% share in company FORESPO HOREC A SASANKA a. s. with a registered capital of EUR 4,654 thousand, for the purpose of acquiring real estate. The company was subsequently renamed to HOTEL SASANKA Property, a.s.

On 6 August 2024, company CENTRAL JASNÁ Property, a.s. was founded within the TMR Group with a registered capital of EUR 28 thousand of which the Company became the 100% owner.

On 27 April 2024, company JASNÁ CENTRAL, s.r.o. was established with a registered capital of EUR 5 thousand, of which the Company became 100% owner.

On 28 March 2024, the Company sold its 73.7% share in Company Korona Ziemi Sp. z o.o.. The consideration transferred was EUR 231 thousand and the transaction resulted in a loss on disposal of the subsidiary amounting to EUR 1,876 thousand.

On 27 February 2024, the Company increased its equity stake in subsidiary Korona Ziemi Sp. z. o.o. by raising the share capital by the amount of PLN 33 thousand by issuing 66 new shares with a nominal value of PLN 500 each.

On 14 February 2024, the Company, by the decision of the sole shareholder, committed to increase the other capital funds in the subsidiary Tatry Mountain Resorts AT GmbH in amount of EUR 2,350 thousand.

During the period ending 31 October 2024 the Company increased its stake in the subsidiary Szczyrkowski Osrode Narciarski S.A. (hereinafter referred to as SON), with the current stake representing 98.6% as at 31 October 2024.

Changes up to 31 October 2023:

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 of EUR 5 thousand, of which the Company became the 100% owner. The company was founded for the purpose of further development of Štrbské Pleso resort with the relation to local communities.

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 Ślaskie 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 Ślaskie 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 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 2024, shares in subsidiaries in the amount of EUR 9,593 thousand (as at 31 October 2023: in the amount of EUR 7,191 thousand) were used to secure bank loans.

20. Deferred tax asset, deferred tax liability

Deferred tax asset (liability) was posted for the following items:

in TEUR	Receivables		Payables		Total	
	31.10.2024	**31.10.2023**	**31.10.2024**	**31.10.2023**	**31.10.2024**	**31.10.2023**
Temporary differences related to:						
Non-current tangible and intangible asset	-	-	-28 645	-23 703	**-28 645**	**-23 703**
Investment property	-	-	-903	-439	**-903**	**-439**
Losses from impairment of trade receivables, loans provided and other assets	1 550	6 338	-	-	**1 550**	**6 338**
Cash flow hedge	-	-	-	-	**-**	**-**
Provisions and liabilities	752	911	-	-	**752**	**911**
Leases (IFRS 16)	-	-	-317	-322	**-317**	**-322**
Tax losses	-	187	-	-	**-**	**187**
Impairment allowance to Investments in subsidiaries	3 559	**-**	**-**	**-**	**3 559**	**-**
Set-off	-	-7 436	-	7 436	**-**	**-**
Total	**5 861**	**-**	**-29 865**	**-17 028**	**-24 004**	**-17 028**

Deferred tax asset was not posted for the following items (tax base):

in TEUR	**31.10.2024**	**31.10.2023**
Non-current tangible and intangible asset	-614	-
Provisions and liabilities	40	114
Total	**-574**	**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	**2025**	**2026**	**2027**	**after 2027**
Tax losses	-	-	-	-

Based on the legislative change, the tax loss can be deducted from the tax base for 2024 as follows:

- 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.
- For the year 2023 – in any amount, but not more than 50 % of the tax base of the current year.

21. Inventory

in TEUR	**31.10.2024**	**31.10.2023**
Goods	1 236	1 435
Material	1 816	1 815
Chalets and apartments developed for sale	-	3 958
Total	**3 052**	**7 208**

As at 31 October 2024 chalets and apartments for sale are valued EUR 0 thousand (as at 31 October 2023: EUR 3,958 thousand). The apartments 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 carried out, were subsequently sold to third parties and the revenue from the sale of these objects was recognized by the Company in 2024.

In the period from 1 November 2023 to 31 October 2024, inventories amounting to EUR 17,636 thousand (from 1 November 2022 to 31 October 2023: EUR 13,935 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 2024, inventory of EUR 3,052 thousand was used to secure bank loans (as at 31 October 2023, inventory in the amount of EUR 7,208 thousand was used to secure bank loans and bonds).

22. Loans provided

in TEUR	**31.10.2024**	**31.10.2023**
Short-term	91 633	176 031
Long-term	29 351	11 484
Total	**120 984**	**187 515**
Impairment allowance	-4 320	-30 035
Total with allowance	**116 664**	**157 480**

As at 31 October 2024 in accordance with the rules of IFRS 9, the value of the impairment allowance for loans provided was EUR 3,330 thousand (as at 31 October 2023: EUR 2,874 thousand). The value of individually assessed impairment allowance for short-term loans to subsidiaries - Ślaskie Wesole Miasteczko Sp. z o.o./TMR Parks, a.s. was in the amount of EUR 0 thousand (as at 31 October 2023: EUR 26,171 thousand) and the value of the individually assessed impairment allowance for the granted loan against a third party was EUR 990 thousand. (as at 31 October 2023: EUR 990 thousand).

On 31 October 2024, the Company committed to increase the other capital funds in the subsidiary TMR Parks, a.s. by offsetting transferred loans from Tatry mountain resorts, a.s. to company TMR Parks, a.s. against Ślaskie Wesole Miasteczko Sp. z o.o. in the amount of EUR 52,639 thousand (as at 31 October 2024: total value of transferred loans of

EUR 57,171 thousand and transferred received loans of EUR 4,532 thousand) and by offsetting a bill of exchange in the amount of EUR 32,020 thousand (as at 31 October 2024: value of the bill of exchange: EUR 32,020 thousand, as at 31 October 2023: value of the bill of exchange: EUR 30,354 thousand), resulting in a total gross value of the investment in other capital funds of TMR Parks, a.s. reported by the Company amounting to EUR 84,659 thousand (as at 31 October 2023: EUR 0 thousand).

In connection with the assignment of loans provided to Ślaskie Wesole Miasteczko Sp. z o.o., the individually assessed impairment allowance was reversed (as at 31 October 2023: EUR 26,171 thousand).

The development of the impairment allowance during the accounting period is summarized in the following overview:

in TEUR	**31.10.2024**
Balance as at 31.10.2023	30 035
Creation of value adjustment	456
Reversal of value adjustment	-26 171
Balance as at 31.10.2024	**4 320**

Table below summarizes long-term loans as at 31 October 2024 and 31 October 2023. As at 31 October 2024, the weighted average interest rate applied on the long-term loans was 6.74% p.a. (as at 31 October 2023: 4.34% p.a.).

in TEUR		**31.10.2024**	**31.10.2023**
Debtor	**Interest rate type**	**Loan value**	**Loan value**
SON (EUR)	7% p.a.	28 276	-
Melida a.s.	-	865	892
Desať s.r.o.	-	210	210
EUROCOM Investment, s.r.o.	4.75% p.a.	-	10 239
OSTRAVICE HOTEL a.s.	4% p.a.	-	143
Total long-term provided loans		**29 351**	**11 484**

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 2024 and 31 October 2023. As at 31 October 2024, the weighted average interest rate applied on the short-term loans was 4.64 % p.a. (as at 31 October 2023: 5.51% p.a.).

in TEUR		**31.10.2024**	**31.10.2023**
Debtor	**Interest rate type**	**Loan value**	**Loan value**
Szczyrkowski Ośrodek Narciarski S.A	7% p.a.	42 955	40 249
TMR Parks a.s.*	-	30 100	32 725
Szczyrkowski Ośrodek Narciarski S.A	7% p.a.	8 969	6 519
Tatry mountain resorts ČR a.s.	7% p.a.	4 190	3 334
Muttereralm Bergbahnen Errichtungs GmbH	5% p.a.	1 354	1 001
SON Partner	7% p.a.	1 153	1 077
Thalia s.r.o.	5% p.a.	1 119	1 076
TMR Ještěd a.s.	7% p.a.	655	536
Mölltaler Gletscherbahnen Gesellschaft GmbH & Co KG	7% p.a.	406	-
Tatry mountain resorts AT GmbH	5% p.a.	382	366
NBC s.r.o	7% p.a.	286	-
TMR Ještěd a.s.	7% p.a.	64	-
TMR Finance CR a.s.	4.51% p.a.	-	255
Ślaskie Wesole Miasteczko Sp. z o. o.	7% p.a.	-	21 733
Ślaskie Wesole Miasteczko Sp. z o. o.	7% p.a.	-	1 263
Ślaskie Wesole Miasteczko Sp. z o. o.	7% p.a.	-	3 608
Ślaskie Wesole Miasteczko Sp. z o. o.	6% p.a.	-	28 342
TMR Finance ČR a.s.	7% p.a.	-	1 830
TMR Parks a.s.*	7% p.a.	-	30 354
Korona Ziemi Sp. z o.o.	7% p.a.	-	1 763
Total short-term provided loans		**91 633**	**176 031**

* These items represent bills of exchange.

23. Trade receivables

in TEUR	**31.10.2024**	**31.10.2023**
Trade receivables	27 914	4 076
Impairment allowance to receivables	-118	-115
Total	**27 796**	**3 961**
Short-term	27 796	3 961
Long-term	-	-
Total	**27 796**	**3 961**

As at 31 October 2024, trade receivables in amount of EUR 27,796 thousand primarily consists of a receivable from the sale of the complex Centrum Jasná in the amount of EUR 24,499 thousand and current operating receivables. As at 31 October 2023, trade receivables involved current operating receivables amounting to EUR 3,961 thousand.

The ageing structure of receivables is as follows:

in TEUR	31.10.2024			31.10.2023		
	Gross	**Impairment allowance**	**Net**	**Gross**	**Impairment allowance**	**Net**
Within due period	27 415	-93	27 322	3 942	-98	3 844
Overdue within 30 days	151	-1	150	103	-2	101
Overdue from 30 days to 180 days	21	-9	12	18	-2	16
Overdue from 180 days to 365 days	311	-6	305	-	-	-
Overdue over 365 days	16	-9	7	13	-13	-
Total	**27 914**	**-118**	**27 796**	**4 076**	**-115**	**3 961**

As at 31 October 2024 and 31 October 2023, 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	**31.10.2024**	**31.10.2023**
Balance as at 1.11.2023 / 1.11.2022	115	233
Creation of value adjustment	15	26
Use	-4	-26
Reversal of value adjustment	-8	-118
Balance as at 31.10.2024 / 31.10.2023	**118**	**115**

Security

As at 31 October 2024, trade receivables in amount of EUR 27,796 thousand were used to secure bank loans (as at 31 October 2023 trade receivables in amount of EUR 3,961 thousand were used to secure bank loans and bonds).

24. Other receivables

in TEUR	**31.10.2024**	**31.10.2023**
Advance payments made	2 025	1 510
Total	**2 025**	**1 510**
Short-term	1 668	1 349
Long-term	357	161
Total	**2 025**	**1 510**

The advances provided, in the total value of EUR 2,025 thousand, are mainly made up of advances for future supplies and services received (as at 31 October 2023: EUR 1,510 thousand).

25. Assets held for sale and liabilities directly associated

As at 31 October 2024 or as at 31 October 2023, the Company did not disclose any assets held for sale or any related liabilities.

26. Other assets

in TEUR	**31.10.2024**	**31.10.2023**
Prepaid expenses and accrued income	2 786	2 050
Finance sublease receivables	14	46
Other assets	2 891	2 665
Impairment allowance	-2 004	-16
Total	**3 687**	**4 745**
Short-term	3 687	4 745
Long-term	-	-
Total	**3 687**	**4 745**

Other assets in the total value of EUR 2,891 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 2024 (31 October 2023: EUR 1,994 thousand).

As at 31 October 2024, the Company has created an individually assessed impairment allowance for the receivable from Penzión Energetik s.r.o. in the amount of EUR 1,978 thousand, resulting in an increase of the impairment allowance to other assets, established in accordance with the rules of IFRS 9, to EUR 2,004 thousand (as at 31 October 2023: EUR 16 thousand).

27. Financial investments

in TEUR	**31.10.2024**	**31.10.2023**
Financial instruments measured at fair value through profit or loss	36	36
Total	**36**	**36**

As at 31 October 2024 the financial investments in the amount of EUR 36 thousand represent a share in the company Tatranské dopravné družstvo (as of 31 October 2023: EUR 36 thousand).

28. Cash and cash equivalents

in TEUR	**31.10.2024**	**31.10.2023**
Cash	-	8
Meal vouchers	30	23
Current accounts with banks	20 735	4 312
Impairment allowance	-9	-2
Total	**20 756**	**4 341**

As at 31 October 2024, the Company created impairment allowance of EUR 9 thousand in light of IFRS 9 expected credit loss changes (as at 31 October 2023: 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 P-1 to P-3 by recognized rating agencies.

Security

As at 31 October 2024 for security of bank loans cash in the amount of EUR 20,010 thousand was used (31 October 2023: EUR 0 thousand). The Company can freely dispose of bank accounts.

29. Equity

Share capital and share premium

As at 31 October 2023, 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 (share capital: EUR 46,950,386).

During June and July 2024, the Company's share capital was increased by EUR 44,210,530 through the issuance, subscription, and payment of 6,315,790 ordinary shares with a nominal value of EUR 7 per share.

As at 31 October 2024, the approved, subscribed and fully paid-up share capital consisted of 13,022,988 ordinary shares in the nominal value of 7 EUR per share (share capital: EUR 91,160,917). The emission of shares is marked by ISIN: SK1120010287.

As at 17 May 2024, 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 2022 and 31 October 2023 according to the financial statements compiled for that accounting period, in the amount of EUR 2,712 thousand as follows:

- Allocation to the legal reserve fund in the amount of EUR 271 thousand,
- Allocation to the social fund on the basis of a collective agreement in the amount of EUR 14 thousand,
- The balance in the amount of EUR 2,428 thousand transferred 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 2024	**Number of shares**	**Ownership interest** *in TEUR*	**Ownership interest** %	**Voting rights** %
C.I. CAPITAL INDUSTRIES LIMITED	3 828 003	26 796	29.4%	29.4%
FOREST HILL, s.r.o.	2 001 677	14 012	15.4%	15.4%
RMSM1 LIMITED	992 666	6 949	7.6%	7.6%
JTFG FUND II SICAV, a.s.	2 677 402	18 742	20.6%	20.6%
DIAMCA INVESTMENTS LIMITED	811 676	5 682	6.2%	6.2%
Minority shareholders	2 711 564	18 981	20.8%	20.8%
Total	**13 022 988**	**91 161**	**100%**	**100%**

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%**

Profit / (loss) per share

	31.10.2024	31.10.2023
Profit / (loss) for the period *in TEUR*	9 132	2 712
Weighted average number of ordinary shares	8 053 186	6 707 198
Basic and diluted earnings per share in EUR	**1.134**	**0.404**

Legal reserve fund

As at 31 October 2024, the legal reserve fund amounts to EUR 7,618 thousand (as at 31 October 2023: 7,347 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 2024, the Company's management proposes the distribution of total profit in the amount of EUR 9,132 thousand as follows:

- Allocation to the legal reserve fund of EUR 913 thousand,
- Allocation to the social fund on the basis of a collective agreement in the amount of EUR 46 thousand,
- Balance of EUR 8,173 thousand transferred to retained earnings of previous periods.

30. Loans and borrowings

in TEUR	31.10.2024	31.10.2023
Loans and borrowings received	285 836	106 576
Total	**285 836**	**106 576**
Short-term	19 991	27 018
Long-term	265 845	79 558
Total	**285 836**	**106 576**

2024:

Creditor	Interest rate type	Maturity date	Unpaid amount as at 31.10.2024 *in TEUR*
Bank loan - consortium	6M EURIBOR + 2.25% p.a.	30.9.2029	168 454
J&T BANKA, a.s.	6M EURIBOR + 5% p.a.	30.9.2030	108 569
EUROCOM Investment s.r.o.	4% p.a.	On demand within 15 days	8 717
Heineken Slovensko, a.s.	-	30.6.2028	96
Total			**285 836**

2023:

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**

The weighted average of interest rates for loans and borrowings as at 31 October 2024 accounted for 6.12 % (as at 31 October 2023: 8.03 %). The interest is due on a quarterly basis. For more information, see Note 12 – Finance income and expense.

On 31 October 2024, a loan received from Ślaskie Wesole Miasteczko Sp. z o.o. in the amount of EUR 4,532 thousand was assigned to TMR Parks, a.s. (31 October 2023: EUR 4,339 thousand).

In October 2024, the Company signed a comprehensive financing package consisting of a senior loan of EUR 180 million with a consortium of leading Slovak, Czech, and Polish banks, and a junior loan of EUR 110 million from J&T BANKA, which is fully subordinated to the repayment and satisfaction of claims from the senior loan. The proceeds from this financing were used to refinance and repay nearly all of the Company’s bank obligations and bonds. The new capital structure, with reduced leverage, is expected to lead to significantly lower debt servicing costs and provides the Company with substantial financial resources for its sustainable growth in the future.

The banking consortium was coordinated by Tatra banka, which acted as the lead mandated arranger and global coordinator. UniCredit Bank Czech Republic and Slovakia and Slovenská sporiteľňa served as the lead mandated arrangers, while Powszechna Kasa Oszczędności Bank Polski and Československá obchodná banka joined as arrangers, and Česká spořitelna and Raiffeisenbank ČR participated as lenders.

As at 31 October 2024, the total outstanding unpaid amount of the loans to J&T BANKA represents the amount EUR 108,569 thousand (as at 31 October 2023: EUR 86,471 thousand). The total outstanding unpaid amount of the loan to bank loan - consortium as of 31 October 2024 is EUR 168,454 thousand (as at 31 October 2023: EUR 0 thousand).

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 of 31 October 2023. On 30 June 2024, a portion of the principal amounting to EUR 10,539 thousand was offset against the provided loan (see Note 22 -

Loans granted). The outstanding balance of the loan at the balance sheet date amounts to EUR 8,717 thousand (as at 31 October 2023: EUR 15,766 thousand).

As of 31 October 2024, the Company is required to comply with the financial covenants stipulated in the bank loan agreement, specifically the Senior Leverage, Total Leverage, DSCR, and Capital Expenditure covenants. The Senior Leverage covenant, which expresses the ratio of senior net debt to EBITDA, will be tested for the first time on 31 October 2024, and its value must not exceed 3.5. The Total Leverage covenant, which encompasses the Company's total net debt in relation to EBITDA, will also be tested for the first time on 31 October 2024, with a maximum allowable value of 5.0. The DSCR covenant, which indicates the Company's ability to cover its debt service obligations through generated cash flows, will be tested for the first time on 30 April 2025, and its value must not be less than 1.2. The Capital Expenditure covenant limits the Company's capital expenditures to a maximum of 10% of total consolidated revenues from the previous financial year. Covenants Senior Leverage and Total Leverage which evaluation is due within the dates of issuing the consolidated financial statements were met.

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 and LTV which evaluation is due within the dates of issuing the consolidated financial statements were met.

Security

The following assets were utilized as collateral for bank loans: property, plant and equipment associated with the centers Jasná, Vysoké Tatry, Tatralandia, and Bešeňová. The guarantors for the loan documentation include TMR Parks, a.s., EUROCOM Investment s.r.o., Szczyrkowski Ośrodek Narciarski S.A., Muttereralm Bergbahnen Errichtungs GmbH, and Mölltaler Gletscherbahnen GmbH & Co KG. Trade receivables, including intercompany receivables, have been established, and a pledge has been created on the bank accounts of Tatry Mountain Resorts, a.s., TMR Parks, a.s., and EUROCOM Investment s.r.o. Additionally, a pledge has been established on the business share and any future business shares in EUROCOM Investment s.r.o.. Under Polish pledge law, trade receivables, including intra-group receivables, have been pledged on Polish bank accounts and shares of Szczyrkowski Ośrodek Narciarski. Shares of TMR Ješted, a.s. have also been pledged.

As at 31 October 2024, property, plant and equipment, investment property, investments in subsidiaries, inventory, receivables and cash amounting to EUR 282,582 thousand were used as collateral for bank loans (as at 31 October 2023, property, plant and equipment, investment property, inventory, and receivables amounting to EUR 239,221 thousand were used as collateral for bank loans and bonds).

31. Lease liabilities

in TEUR	
Opening balance as at 1.11.2022	**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**
Additions	3 650
Modifications	13 629
Interest	4 532
Lease payments	-13 764
Balance as at 31.10.2024	**71 068**
Short-term	8 470
Long-term	62 598
Total	**71 068**

The maturity of lease liabilities is as follows:

in TEUR	**31.10.2024**	**31.10.2023**
Less than 1 year	8 470	7 566
1 - 5 years	15 827	16 563
Above 5 years	46 771	38 892
Total	**71 068**	**63 021**

32. Trade payables and other payables

in TEUR	**31.10.2024**	**31.10.2023**
Trade liabilities	7 901	8 991
Liabilities towards employees and social security institutions	6 903	6 877
Unbilled deliveries	1 617	2 886
Total	**16 421**	**18 754**
Short-term	16 098	17 890
Long-term	323	864
Total	**16 421**	**18 754**

As at 31 October 2024, liabilities towards employees and social security institutions are mainly provision for bonuses for the economic year from 1 November 2023 to 31 October 2024 in the amount EUR 1,965 thousand (as at 31 October 2023: EUR 1,762 thousand), wage liabilities to employees and social security institutions are in the amount EUR 4,020 thousand (as at 31 October 2023: EUR 4,266 thousand) and provision for unused vacations in the amount EUR 778 thousand (as at 31 October 2023: EUR 774 thousand).

The creation and usage of the Social fund during the accounting period are shown in the following overview:

in TEUR	**31.10.2024**	**31.10.2023**
Balance as at 1.11.2023 / 1.11.2022	54	10
Creation of social fund against expenses	143	128
Drawing	-84	-84
Balance as at 31.10.2024 / 31.10.2023	**113**	**54**

As at 31 October 2024, long-term liabilities in the amount EUR 323 thousand (as at 31 October 2023: EUR 864 thousand) are mainly retention fees against suppliers for the construction of the Centrum Jasná complex.

As at 31 October 2024, overdue liabilities amounted to EUR 1,653 thousand (as at 31 October 2023: EUR 1,769 thousand). Overdue liabilities as at 31 October 2024 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

As at 31 October 2024, the Company currently does not have any risks hedged through hedge accounting, as these risks are managed in other ways. For more information, please refer to the section on financial risks.

In previous periods, the Company used cash-flow hedges solely to hedge against foreign currency risk. Since the Company had drawn a loan from its Czech subsidiary, a position in Czech Koruna (CZK) was opened. The Company decided to manage the foreign currency risk related to fluctuations in the Czech Crown exchange rate for this particular instrument using a hedging instrument – a foreign currency swap.

On 4 November 2022, a loan from TMR Finance ČR, a.s. was fully repaid according to the repayment schedule, with a total value of EUR 60,894 thousand as of 31 October 2022. At the same time, the accounting of cash-flow hedges against foreign currency risk was discontinued. 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. As at 31 October 2023, the total profit from hedging derivatives in the Comprehensive income was EUR 2,602 thousand.

34. Contract liabilities

in TEUR	**31.10.2024**	**31.10.2023**
Advances received	5 893	7 288
Deferred revenue	1 605	1 311
Unbilled deliveries	380	384
Total	**7 879**	**8 983**
Short-term	7 879	8 983
Total	**7 879**	**8 983**

As at 31 October 2024, the advances received mainly represent advances received for hotel accommodation in the amount of EUR 5,756 thousand (as at 31 October 2023: EUR 3,958 thousand).

As at 31 October 2024, the amount of deferred revenue is mainly represented by an amount of EUR 1,386 thousand for the accrual of the ski passes sold. As of 31 October 2023, accrued revenues mainly amounted to EUR 672 thousand for accruals of season ski passes sold – "Šikovná sezónka".

35. Other liabilities

in TEUR	**31.10.2024**	**31.10.2023**
Liabilities to shareholders from reduction in share capital	213	213
Contingent consideration	1 030	954
Other	564	563
Value added tax liabilities	4 484	450
Government grants	481	504
Total	**6 772**	**2 684**
Short-term	5 742	1 730
Long-term	1 030	954
Total	**6 772**	**2 684**

As at 31 October 2024, liabilities to shareholders from reduction in share capital represent the amount EUR 213 thousand (as at 31 October 2023: 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 2024, the contingent consideration in the amount EUR 1,030 thousand (as at 31 October 2023: EUR 954 thousand) represents the part of the purchase price for the subsidiary Muttereralm Bergbahnen Errichtungs GmbH (see also note 19 – Investments in Subsidiaries), which is contingent on the seller fulfilling the contractually stipulated conditions.

Governments grants are as at 31 October 2024, in the total value EUR 481 thousand, of which the amount EUR 412 thousand represents the grant for the construction of the cable car Furkotka in the Štrbské Pleso ski resort (as at 31 October 2023: EUR 432 thousand) and the amount EUR 69 thousand represents the grant for the Tri studničky hotel (as at 31 October 2023: EUR 72 thousand).

Details of movement of government grants are presented in the table below:

in TEUR	**31.10.2024**	**31.10.2023**
Balance as at 1.11.2023 / 1.11.2022	504	527
Received during the year	1 043	890
Released to the statement of profit and loss and other comprehensive income	-1 066	-913
Balance as at 31.10.2024 / 31.10.2023	**481**	**504**

State aid related to energy was received during the financial year 2024 in the amount of EUR 1,043 thousand (financial year 2023: 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.

In the period from 1 November 2023 to 31 October 2024 the state aid was recognized in the statement of comprehensive income in the amount EUR 1 066 thousand (as at 31 October 2023: EUR 913 thousand). For more details see Note 8 - Purchased services and Note 9 - Personnel expenses.

Details of government grants recognized in the statement of other comprehensive income are presented in the table:

in TEUR	**1.11.2023 - 31.10.2024**	**1.11.2022 - 31.10.2023**
State aid related to other costs	1 066	913
Celkom	**1 066**	**913**

36. Provisions

in TEUR	**31.10.2024**	**31.10.2023**
Opening balance as at 1.11.2023	**85**	**137**
Creation of provisions during the year	5	61
Use of provisions during the year	-30	-113
Balance as at 31.10.2024	**60**	**85**

	31.10.2024	**31.10.2023**
Short-term	-	-
Long-term	60	85
Total	**60**	**85**

37. Bonds issued

On 10 October 2018, the Company issued the third bond issue in the total value of EUR 90,000 thousand.

On February 2021, the Company 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 Company issued TMR VI bonds in the total value up to a maximum of EUR 65,000 thousand with an interest rate of 5.4% p.a. and maturity date in 2027. A total of EUR 59,000 thousand worth of bonds were traded.

On 28 October 2022, bonds in total value of EUR 1,552 thousand were traded. On 3 November 2022, bonds from the TMR VI issue were traded in the amount of EUR 57,448 thousand.

On 10 October 2024, the Company fully repaid the TMR III bonds at their nominal value along with the corresponding interest.

On 30 October 2024, the Company prematurely repaid all TMR VI bonds before maturity at their total nominal value together with the applicable interest up to the date of early repayment.

On 13 June 2024 a meeting of the TMR V bondholders was held. During the meeting the redemption of TMR V bonds by the Company was approved. Subsequently, the Company as the issuer, decided to redeem the TMR V bonds to strengthen its capital structure. The bonds redeemed by the Company (the issuer) do not expire. As at 31 October 2024, the Company redeemed all TMR V bonds at their full nominal value of EUR 110,000 thousand, along with the corresponding interest amounting to EUR 4,913 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 of 31.10.2024	Carrying value as of 31.10.2023
Name									
TMR III 4.40%/2024	SK4120014598	10.10.2018	10.10.2024 **REPAID 10.10.2024**	EUR	90 000	4.4	4.940	-	89 718
TMR V 6.00%/2026	SK4000018255	2.2.2021	2.2.2026	EUR	110 000	6.0	6.697	-	113 601
TMR VI 5.40%/2027	SK4000021713	28.10.2022	28.10.2027 **REPAID 30.10.2024**	EUR	59 000	5.4	5.924	-	57 945
Total								**-**	**261 264**
Short-term								-	94 621
Long-term								-	166 643
Total								**-**	**261 264**

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.

The Company did not evaluate fulfillment of covenants as at 31 October 2024, as this obligation ceased upon their repayment.

As of 31 October 2023, all of the three issues were associated with regular payment of the coupon which is provided by the Company from its own resources.

As of 31 October 2023, out of the total value of liability of EUR 261,264 thousand, the short-term part was 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.

Security

As of 31 October 2024, a right of lien ("pledge") was established to secure the issued TMR III and TMR VI bonds on the property, movable assets, and part of receivables owned by the Company, totaling EUR 0 thousand (as of 31 October 2023: EUR 112,820 thousand). This property is not used as security for other liabilities of the Company.

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**	
		31.10.2024	**31.10.2023**	**31.10.2024**	**31.10.2023**
Financial assets					
Loans provided	22	116 664	157 480	114 764	155 719
Total		**116 664**	**157 480**	**114 764**	**155 719**

in TEUR		**Carrying value**		**Fair value**	
		31.10.2024	**31.10.2023**	**31.10.2024**	**31.10.2023**
Financial liabilities					
Bonds issued	37	-	261 264	-	259 746
Total		**-**	**261 264**	**-**	**259 746**

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 2023	Drawings	Payment of principal	Payment of interest	Interest accrued in the current period	Impact of cash-flow hedge	Other	31 October 2024
Loans and borrowings	106 576	280 069	-85 934	-7 654	7 872	-	-15 093	285 836
Lease liabilities	63 021	17 279	-13 600	-164	4 532	-	-	71 068
Bonds issued	261 264	-	-259 000	-20 536	17 333	-	939	-
Total liabilities from financing activities	**430 861**	**297 348**	**-358 534**	**-28 353**	**29 737**	**-**	**-14 154**	**356 905**

In the case of loans and borrowings, the category Other non-cash changes represent the largest portion amounting to EUR 10,539 thousand, which corresponds to the principal portion of the loan offset against the provided borrowing - see Note 30 - Loans and borrowings.

in TEUR

	1 November 2022	Drawings	Payment of principal	Payment of interest	Interest accrued in the current period	Impact of cash-flow hedge	Other	31 October 2023
Loans and borrowings	165 589	7 928	-64 493	-8 467	7 186	-127	-1 040	106 576
Lease liabilities	59 661	5 673	-5 962	-75	3 724	-	-	63 021
Bonds issued	203 604	56 457	-	-13 744	14 900	-	47	261 264
Total liabilities from financing activities	**428 854**	**70 058**	**-70 455**	**-22 286**	**25 810**	**-127**	**-993**	**430 861**

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% - 6.95%	**40%**	**119 865**	**-3 330**

As at 31 October 2024, loans provided were classified as Stage 2 for a total amount of EUR 1,119 thousand (31 October 2023: EUR 86,376 thousand), for which an impairment allowance of EUR 990 thousand (31 October 2023: EUR 27,161 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 333 thousand. If PD decreased by 10%, ECL would decrease by EUR 333 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 2024, the Company was exposed to the following credit risk:

in TEUR	Legal entities	Banks	Other financial institutions	Other	Total
Financial assets					
Loans provided	116 664	-	-	-	116 664
Other receivables	335	-	-	-	335
Trade receivables	27 796	-	-	-	27 796
Cash and cash equivalents	-	20 726	-	30	20 756
Other assets	483	-	206	32	721
Total	**145 278**	**20 726**	**206**	**62**	**166 272**

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**

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 2024, 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	**116 664**	**120 985**	61 534	31 100	4 210	24 141	-
Other receivables	**335**	**345**	345	-	-	-	-
Trade receivables	**27 796**	**27 914**	27 914	-	-	-	-
Cash and cash equivalents	**20 756**	**20 758**	20 758	-	-	-	-
Other assets	**721**	**2 722**	2 722	-	-	-	-
Total	**166 272**	**172 724**	**113 273**	**31 100**	**4 210**	**24 141**	**-**
Financial liabilities							
Loans and borrowings	**-285 836**	**-365 841**	-8 717	-27 193	-329 931	-	-
Lease liabilities	**-71 068**	**-165 863**	-2 113	-14 028	-49 487	-100 235	-
Bonds issued	**-**	**-**	-	-	-	-	-
Trade payables and other payables	**-8 918**	**-8 918**	-8 918	-	-	-	-
Other liabilities	**-1 636**	**-1 671**	-469	-	-1 202	-	-
Total	**-367 458**	**-542 293**	**-20 216**	**-41 221**	**-380 620**	**-100 235**	**-**

As at 31 October 2024 the loans provided up to 1 year amount to EUR 92,348 thousand (as at 31 October 2023: EUR 175,309 thousand), a majority of which is payable on demand or by the end of April 2025. 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.

In October 2024, the Company signed a comprehensive financing package consisting of a senior loan of EUR 180 million with a consortium of leading Slovak, Czech, and Polish banks, and a junior loan of EUR 110 million from J&T BANK, maturing at the end of September 2029/2030.

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	-	-	-	-
Other liabilities	**-1 580**	**-1 579**	-447	-	-1 132	-	-
Total	**-443 926**	**-580 078**	**-37 353**	**-125 619**	**-449 679**	**-93 047**	**-**

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 providing and receiving of loans from subsidiaries in Poland and the Czech Republic during the years 2024 and 2023, the Company is primarily exposed to the risk of changes in the exchange rates of the Polish Zloty and the Czech Koruna against the euro. The management monitors regularly whether there is a large difference between foreign currency liabilities and receivables. As at 31 October 2024, the Company reported an investment in the subsidiaries in Polish Zloty in the amount of EUR 7,214 thousand, (as at 31 October 2023: EUR 7,508 thousand). The Company also reported investment in the subsidiaries in Czech Crown in the amount of EUR 8,957 thousand (as at 31 October 2023: EUR 9,058 thousand). For more information see Note 19 – Investments is subsidiaries

As of October 31, 2023: Since the Company has drawn a loan from its subsidiary in Poland, denominated in Czech Koruna, the open position on the currency risk related to the Czech Koruna has significantly increased. The Company decided to hedge its currency position against fluctuations in the Czech Koruna for this particular debt instrument. In 2023, the loan denominated in Czech Koruna was repaid, and the respective hedging instrument was 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

31.10.2024

in TEUR	**CZK**	**PLN**	**CHF**
Assets			
Cash and cash equivalents	-	6	-
Trade receivables	3	-	-
Loans and borrowings	5 710	10 122	-
	5 713	**10 128**	**-**

in TEUR	**CZK**	**PLN**	**CHF**
Liabilities			
Loans and borrowings	-	-	-
Trade payables	-18	-2	-12
	-18	**-2**	**-12**

31.10.2023

in TEUR	**CZK**	**PLN**	**CHF**
Assets			
Cash and cash equivalents	-	7	-
Loans and borrowings	6 847	34 700	-
	6 847	**34 707**	**-**

in TEUR	**CZK**	**PLN**	**CHF**
Liabilities			
Loans and borrowings	-	-	-
Trade payables	-16	-	-
	-16	**-**	**-**

5% strengthening of the EUR against the Polish Zloty,the Czech Crown and Swiss Franc would have the following effect on the financial assets and financial liabilities of the Company:

Effect on the portfolio

in TEUR	**2024**	**2023**
PLN	-506	-1 735
CZK	-285	-342
CHF	1	-

5% weakening of the EUR against the Polish Zloty,the Czech Crown and Swiss Franc 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 2024 and as at 31 October 2023, the Company has the following assets and liabilities linked to interest rates:

in TEUR	**31.10.2024**	**31.10.2023**
Fixed interest rate		
Assets	166 242	168 469
Payables	-90 435	-357 456
Variable interest rate		
Assets	30	18
Payables	-277 023	-86 470

<u>Sensitivity analysis for instruments with a variable interest rate</u>

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 2024		
Instruments with variable interest rate	2 770	-2 770
Effect	**2 770**	**-2 770**

in TEUR	**Profit (Loss)**	
	100 bb growth	**100 bb decline**
31 October 2023		
Instruments with variable interest rate	865	-865
Effect	**865**	**-865**

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 2024 and 31 October 2023 or during the period between 1 November 2023 and 31 October 2024 and 1 November 2022 and 31 October 2023:

(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 in which the Company is a partner
(4) The members of company top management or Company’s shareholders with significant influence and companies in which top management or Company’s shareholders with significant influence have 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 31.10.2024**	**Payables 31.10.2024**	**Receivables 31.10.2023**	**Payables 31.10.2023**
Szczyrkowski Osrodek Narciarski S.A.	1	80 464	21	46 964	-
Ślaskie Wesole Miasteczko Sp. z o. o.	2	1	5	54 948	4 343
TMR Ještěd a.s.	3	730	2	555	-
Tatry mountain resorts CR, a.s.	4	4 192	8	3 337	6
TMR Parks, a.s.	5	30 100	-	63 279	1 000
Mölltaler Gletscherbahnen GmbH & Co KG	6	591	-	2	41
Mölltaler Gletscherbahnen GmbH	7	2	1	-	-
Grundstücksverwertungs-GmbH Flattach	8	1	-	-	-
TMR Finance CR, a.s.	9	-	-	2 085	-
Ostravice Hotel a.s.	10	-	-	138	-
MELIDA, a.s.	11	865	-	892	-
Korona Ziemi sp.z o.o.	12	-	-	1 763	-
Muttereralm Bergbahnen Errichtungs GmbH	13	1 354	1	1 001	-
Tatry mountain resorts AT GmbH	14	382	-	366	-
EUROCOM Investment, s.r.o.	15	849	9 381	10 909	16 400
International TMR services, s.r.o.	16	-	-	1	-
GOPASS SE	17	7	113	178	90
Štrbské Pleso resort, s. r. o.	18	224	20	-	-
CENTRAL JASNÁ Property a.s.	19	24 499	-	-	-
HOTEL SASANKA Property, a.s	20	-	-	-	-
Companies related though Members of the Key Management	21	7	387	7	310

in TEUR	Note;	**Revenues 1.11.2023 - 31.10.2024**	**Cost 1.11.2023 - 31.10.2024**	**Revenues 1.11.2022 - 31.10.2023**	**Cost 1.11.2022 - 31.10.2023**
Szczyrkowski Osrodek Narciarski S.A.	1	2 598	25	2 602	13
Ślaskie Wesole Miasteczko Sp. z o. o.	2	2 495	198	2 470	199
TMR Ještěd a.s.	3	191	25	250	32
Tatry mountain resorts CR, a.s.	4	204	55	181	43
TMR Parks, a.s.	5	1 701	3 000	1 697	2 001
Mölltaler Gletscherbahnen GmbH & Co KG	6	55	14	2	5
Mölltaler Gletscherbahnen GmbH	7	-	-	-	-
Grundstücksverwertungs-GmbH Flattach	8	-	-	-	-
TMR Finance CR, a.s.	9	128	-	133	22
Ostravice Hotel a.s.	10	-	-	-	-
MELIDA, a.s.	11	-	-	-	-
Korona Ziemi sp.z o.o.	12	28	-	82	-
Muttereralm Bergbahnen Errichtungs GmbH	13	52	-	33	-
Tatry mountain resorts AT GmbH	14	16	-	16	-
EUROCOM Investment, s.r.o.	15	2 372	961	2 376	941
International TMR services, s.r.o.	16	3	-	-	-
GOPASS SE	17	193	2 820	159	2 554
Štrbské Pleso resort, s. r. o.	18	585	5 487	-	-
CENTRAL JASNÁ Property a.s.	19	20 416	20 279	-	-
HOTEL SASANKA Property, a.s	20	18	-	-	-
Companies related though Members of the Key Management	21	59	6 009	102	5 608

[1] Szczyrkowski Osrodek Narciarski S.A. became a related party on 30 April 2014.
[2] Ślaskie 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 to 31 October 2024.
[10] OSTRAVICE HOTEL a.s. became a related party on 31 December 2018 to 30 September 2024.
[11] MELIDA, a.s. became a related party on 15 December 2019.
[12] Korona Ziemi sp. z o.o. was a related party from 31 May 2020 to 28 March 2024.
[13] Muttereralm Bergbahnen Errichtungs GmbH became a related party on 1 May 2021.[14] Tatry mountain resorts AT GmbH became a related party on 28 May 2018.
[15] EUROCOM Investment, s.r.o. became a related party on 1 April 2022. (WORLD EXCO s.r.o. was a related party from 1 April 2022 to 1 November 2022, when the companies EUROCOM Investment, s.r.o. and WORLD EXCO, s.r.o. merged, with EUROCOM Investment s.r.o. becoming the legal successor.)
[16] International TMR services, s.r.o. became a related party on 22 June 2022.
[17] GOPASS SE became a related party on 1 July 2022. (GOPASS, a.s. was a related party from 4 June 2021 until the decisive date of the merger with the successor company GOPASS SE on 1 November 2022. GOPASS a.s. ceased to exist as a result of a cross-border merger without liquidation on 1 April 2023.)[18] EUROCOM Investment, s.r.o. became a related party on 1 April 2022.
[18] Štrbské Pleso resort, s. r. o. became a related party on 26 September 2023.
[19] CENTRAL JASNÁ Property a.s. became a related party on 6 August 2024.
[20] HOTEL SASANKA Property, a.s. (previously named FORESPO HOREC A SASANKA a.s.) became a related party on 21 August 2024.
[21] Transactions related to remuneration mentioned in Note 9 - Personnel expenses are not included in the above line.

42. Subsequent events

After 31 October 2024, no events occurred that would have a significant impact on the fair presentation of the facts stated in this financial statement.

43. Capital commitments and capital management

During financial year 2014, the Company issued two bond issues (see Note 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 had 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.

As at 10 October 2024, the Company fully repaid the TMR III bonds at their nominal value along with the corresponding interest.

As at 30 October 2024, the Company repaid all TMR VI bonds before their maturity at their nominal value together with the applicable interest up to the date of early repayment.

On 13 June 2024, a meeting of the TMR V bondholders was held, during which the redemption of TMR V bonds was approved. Subsequently, the Company as the issuer, decided to redeem the TMR V bonds to strengthen its capital structure. The bonds redeemed by the Company (the issuer) do not expire. As at 31 October 2024, the Company redeemed all TMR V bonds at their full nominal value of EUR 110,000 thousand, along with the corresponding interest amounting to EUR 4,913 thousand.

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 2023 and 31 October 2024, 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 utilization 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 428 thousand and accessions thereof.

Igor Rattaj *The Chairman of the Board of Directors*	Zuzana Ištvánfiová *The Vice Chairman of the Board of Directors*	Marian Klas *Finance Director, Member of the Board of Directors*	Lucia Kušnierová *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 2024;

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, comprising material accounting policies and other explanatory information.

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 2024, and of its unconsolidated financial performance and its unconsolidated cash flows for the year 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 investments in subsidiaries

Carrying amount of investments in subsidiaries as at 31 October 2024: EUR 122,044 thousand (31 October 2023: EUR 45,573 thousand); Related impairment allowance: EUR 14,830 thousand (31 October 2023: EUR 0 thousand).

Refer to Note 2g) (Significant accounting policies – Financial investments), Note 3c) (Significant accounting estimates and assumptions - Impairment test of investments in subsidiaries and non-financial assets other than goodwill) and Note 19 (Investments in subsidiaries) of the separate financial statements.

Key audit matter	Our response
As described in the Note 2g) of the separate financial statements, the Company carries investments in subsidiaries at cost and assesses whether there are any indicators of their impairment as at the reporting date. As described in Note 3c) of the separate financial statements, in the current year, the Company identified impairment indicators in respect of its investments in subsidiary TMR Parks, a.s. which is parent company of EUROCOM Investment, s.r.o. (aquapark Besenova) and Ślaskie Wesole Miasteczko Sp. z o. o. (amusement park Legendia). Impairment indicators relate to previously impaired loans provided to TMR Parks, a.s. and Ślaskie Wesole Miasteczko Sp. z o. o. and significant increase of investment in subsidiary TMR Parks, a.s. by EUR 84,659 thousand as of 31 October 2024.	Our audit procedures in the area, performed, where applicable, with the assistance from our own valuation specialists, included, among others: • Evaluating against the requirements of the relevant financial reporting standards the Company's accounting policy for identification of impairment indicators, and measurement and recognition of any impairment losses in respect of investments in subsidiaries; • Evaluating design and implementation of selected internal controls relating to the identification of impairment indicators and to the process of impairment testing; • Evaluating the quality of the Company's forecasting process, by comparing historical projections with actual outcomes;

Independent Auditor's Report

In the wake of the above factors, as at 31 October 2024, the Company tested investments in subsidiary TMR Parks, a.s. for impairment. The Company determined recoverable amount for investment in subsidiary TMR Parks, a.s. based on 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 discount rates used and future cash flows, with key assumptions made about service pricing, expected volume of sales, and operating expenses. Due to the above factors, coupled with the higher estimation uncertainty stemming from the effect of the current macroeconomic volatility, assessment of investments in subsidiaries 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.	• 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 for compliance with the relevant financial reporting standards and market practice, - Challenging the reasonableness of key macroeconomic assumptions used, such discount rates by referencing to publicly available external sources, and - Using our knowledge of the Company, its historical performance, business, our industry experience to assess the reasonableness of the assumptions relating to future service pricing, expected volume of sales, and operating expenses, by reference to publicly available reports and market data; - 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; • Assessing the appropriateness and completeness of impairment-related disclosures in the separate financial statements against the requirements of the 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 the 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 period from 1 November 2023 to 31 October 2024 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 in accordance with 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 and in accordance with Code of Ethics for an Auditor

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 and 17 May 2024. 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 16 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.

Independent Auditor's 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.

For the period to which our statutory audit relates, we have provided professional trainings to the Company for a fee of EUR 7 thousand which are not disclosed in the Annual Report or the separate financial statements of the Company.

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 2024 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.

Independent Auditor's Report

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 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

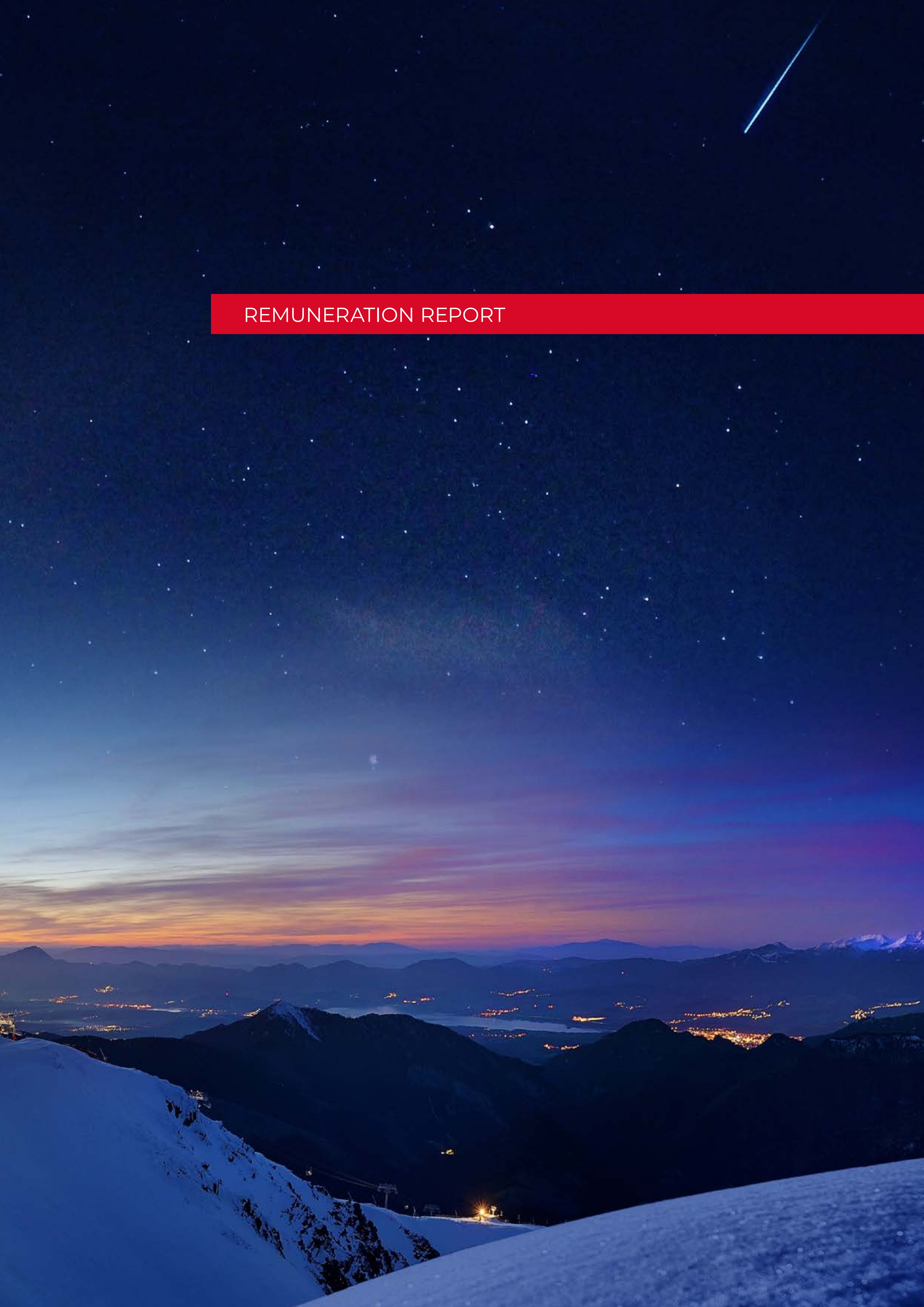
Slovenská komora audítorov SKAU Č.licencie 96 KPMG Slovensko spol. s r.o.

Responsible auditor:
Ing. Miroslav Kožlej
License UDVA No. 1212

Bratislava, 28 February 2025

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, Company 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 01.11.2023 and ending on 31.10.2024 (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 01.11.2023 and ending on 31.10.2024 (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 Čeněk Jílek, Member of the Board of Directors since 29.04.2020 to 31.10. 2024
1.1.3 Ing. Zuzana Ištvánfiová, Vice chairman of the Board of Directors since 01.06.2023

1.2 Overview of all the 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 17.05.2024 (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 out 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 EUR 111,031
Čeněk Jílek, in the amount of EUR 49,600
Ing. Zuzana Ištvánfiová, in the amount of EUR 79,132

1.2.2.2 As of the date of publication of the Remuneration report, the Board of Directors has not decided on the granting or non-granting of the variable component of remuneration to the members of the Board of Directors. In the event that the Board of Directors decides to grant the variable component of remuneration to its members, the maximum total amount that may be granted in accordance with the Remuneration rules is EUR 946,593

1.3 Proportional share of fixed and variable component of 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	23.83%	76.17%
Čeněk Jílek	14.36%	85.64%
Ing. Zuzana Inštvánfiová	21.11%	85.89%

*The proportional share is calculated assuming the granting of the variable component of remuneration to the members of the Board of Directors at the maximum level for each member, in accordance with Section 2.3.1 of the Remuneration Rules – the Chairman at 0.6% of EBITDA as defined in the Remuneration Rules, and the Vice-Chairman and members of the Board of Directors at 0.5% of EBITDA as defined in the Remuneration Rules.

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 The amount of fixed component of the total remuneration has been negotiated with each Member of the Board of Directors within their respective letters of appointment in accordance with the Remuneration Rules.

1.4.3 When the Company's Board of Directors decides on granting / not granting the variable component to each Board member and determining its amount for each Board member, the Board will base its decision on the following factors: (i) the consolidated financial operating result (EBITDA) as of 31 October 2024 reached 57,662 thousand EUR, (ii) the Modified EBITDA Plan as of 31 October 2024 (point 2.3.4 of the Remuneration Rules), prepared by the Board and approved by the Supervisory Board, was 58,932 thousand EUR, (iii) the modified EBITDA as of 31 October 2024 (point 2.3.3 of the Remuneration Rules) reached 57,956 thousand EUR, (iv) the modified EBITDA as of 31 October 2023 (point 2.3.5.3 (i)) reached 56,306 thousand EUR, and (v) the EBITDA defined in the Remuneration Rules (point 2.3.2) as of 31 October 2024 reached 59,162 thousand EUR and that (v) the modified EBITDA as of 31 October 2024 reached the same level as that of 31 October 2023 and, at the same time (vi) achieved at least 90% of the Modified EBITDA Plan as of 31 October 2024 and (vii) the Company duly complied with the established non-financial performance indicators – specifically, its status as a "creditworthy debtor." The Board of Directors will decide on the granting of the variable component of remuneration after the publication of the Company's consolidated IFRS financial statements as of October 31, 2024. The variable component of remuneration will then be paid to the members of the Board of Directors in accordance with the Board's decision and in compliance with Section 2.3.12 of the Remuneration Rules, on the next payroll date designated by the Company for employee salary payments following the publication of the consolidated IFRS financial statements as of October 31, 2024.

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. Jozef Hodek, Chairman of the Supervisory Board from 01.07.2023 to 31.05.2024
2.1.2. Adam Tomis, Chairman of the Supervisory Board since 03.09. 2024
2.1.3. Ing. František Hodorovský, Vice-Chairman of the Supervisory Board since 01.07.2021
2.1.4. Roman Kudláček, Member of the Supervisory Board since 25.05.2022
2.1.5. Ing. Pavol Mikušiak, Member of the Supervisory Board since 01.06. 2023
2.1.6. Adam Tomis, Member of the Supervisory Board from 12.04. 2014 to 17.04. 2024
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
2.1.11. Naďa Ondrušiková, Member of the Supervisory Board since 01.06. 2024

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. Jozef Hodek, in the amount of EUR 26,305
Ing. František Hodorovský, in the amount of EUR 6,397
Roman Kudláček, in the amount of EUR 4,312
Ing. Pavol Mikušiak, in the amount of EUR 4,312
Adam Tomis, in the amount of EUR 4,589
Ing. Andrej Devečka, in the amount of EUR 4,312
Miroslav Roth, in the amount of EUR 4,312
Mgr. Marek Schwarz, in the amount of EUR 4,312
Ivan Oško, in the amount of EUR 4,312
Naďa Ondrušiková in the amount of EUR 0.0

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 component	Variable component
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%
Naďa Ondrušiková	0%	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 as negotiated within their respective letters of appointments. Supervisory Board member Naďa Ondrušiková has waived in writing her monthly fixed component of the total remuneration for the months of June to October 2024.

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 EUR 171,296
Ing. Jozef Hodek, in the amount of EUR 26,305
Čeněk Jílek, in the amount of EUR 245,499
Ing. Zuzana Ištvánfiová, in the amount of EUR 340,115
Ing. Andrej Devečka, in the amount of EUR 31,183
Ing. František Hodorovský, in the amount EUR 6,397
Roman Kudláček, in the amount of EUR 4,312
Ing. Pavol Mikušiak, in the amount of EUR 4,312
Adam Tomis, in the amount of EUR 4,589

Miroslav Roth, in the amount of EUR 36,841
Mgr. Marek Schwarz, in the amount of EUR 128,875
Ivan Oško, in the amount of EUR 37,897
Naďa Ondrušiková, in the amount of EUR 0

The Board of Directors will determine the amount of the variable component of remuneration for the members of the Board of Directors for the Financial Year after the publication of the Company's consolidated IFRS financial statements as of October 31, 2024.

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 thousands EUR*:

Financial year	2024	2023	2022	2021	2010
Number of „E“	1 527	1 456	1 359	1 193	1 332
Number of „BoC“	12	12	12	13	12
Number of „EE“	1 515	1 444	1 347	1 180	1 325
Total annual personal expenses for „EE“	40 719	34 268	27 375	18 959	21 760
Total annual remuneration for „BoC“	1 767	2 505	1 925	836	1 195
Total annual remuneration for BoC/number of BoC	147.3	208.8	160.4	64.3	99.6
Total annual personal expenses for EE/number of EE	25.7	22.0	18.9	15.4	15.5
Total annual remuneration BoC/number BoC to total annual personal expenses EE/number of EE	5.7 multiple	9.5 multiple	8.5 multiple	4.2 multiple	6.4 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
*The comparison is prepared based on the assumption that the variable component of remuneration is granted to the members of the Board of Directors at the maximum level for each member, in accordance with Section 2.3.1 of the Remuneration Rules – the Chairman at 0.6% of EBITDA as defined in the Remuneration Rules, and the Vice-Chairman and members of the Board of Directors at 0.5% of EBITDA as defined in the Remuneration Rules

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 31.10.2024, 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, 28.2.2025

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 28, 2025

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