2021 ANNUAL REPORT

SLOVAK INVESTMENT HOLDING

SZRB GROUP

SLOVAK INVESTMENT HOLDING
SZRB GROUP

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FOREWORD OF THE BOARD OF DIRECTORS

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Dear Partners, Shareholders, Colleagues, Ladies and Gentlemen, Friends,

2021 again saw an unprecedented economic situation. The COVID-19 pandemic continued and there were continuing problems as regards supply chains, a sharp increase in energy prices and increasing inflation. Major central banks started to gradually reassess and scale back economic stimulus programmes and announced plans for increasing interest rates, which have been low for a long time.
There has been a significant impact on the Slovak economy, businesses and on the general public. Therefore, we again focused on the continuation of and additions to programmes to mitigate these adverse impacts in 2021.
An example is the SIH Anti-corona Guarantee Scheme which had supported up to 11 186 businesses by the end of 2021. SIH provided a guarantee totalling EUR 756 million, of which a portfolio of provided loans totalling EUR 1.132 billion was created by banks. This is an example of how repayable forms of EU funds permit such funds to be reused and multiplied with the assistance of private capital.
As regards the social economy, we continued to support the Dostupný domov (Affordable Home) project. This is a joint venture with Slovenská sporiteľňa, which provides accommodation for various disadvantaged, vulnerable or low-income groups. In less than two years of operation, the company has successfully expanded, despite the difficult COVID-19 period. By the end of 2021, it had assisted in finding accommodation for nine persons, eg families in crisis, the homeless, children from children's homes, etc. Affordable Home also established cooperation with 13 NGOs, which provide lessees social service support, if needed.
SIH has set up an extraordinary joint venture project with the City of Bratislava to renovate the Grössling Bath with a new cultural function. The project shows that interesting cultural projects can be funded via repayable funding.
These were but a few of our activities; more information on our activities is provided on the following pages.
It is now clear that 2022 will also be full of challenges, for which our small but agile team is ready. It is precisely in such a complicated external environment that the importance and added value of institutions like SIH is manifested. Such institutions help fill the gaps created by our underdeveloped capital market and can rapidly provide instruments responding to the current economic situation.
We would like to thank our shareholders and partners for their support and trust in this difficult year. Last but not least, we would like to thank our colleagues for their professionalism, creativity and dedication manifested by their work commitment throughout the year.

Board of Directors of Slovak Investment Holding

SLOVAK INVESTMENT HOLDING
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MAIN EVENTS OF 2021
February

Slovak Investment Holding (SIH) invested in **PeWaS** s.r.o. under the SIH Anti-corona Capital Scheme. Partners of this project include Slovenská aliancia pre inovatívnu ekonomiku (Slovak Alliance for Innovation Economy – SAPIE) and the Ministry of Finance of the Slovak Republic.

PeWaS undertakes innovative chemistry and is currently focused on completing the development of its revolutionary product – Aquaholder. It is designed for crop hydrostimulation treatment based on superabsorbents. It is an innovative product with a global potential primarily designed for agriculture.

"We would like to thank Slovak Investment Holding and Slovak Alliance for Innovation Economy for their trust and financial support for research regarding our revolutionary product – Aquaholder. We will make every effort to make the most efficient use of the convertible loan granted and we believe that we will not disappoint our partners' trust and expectations."

Ivo Krpelan, CEO, PeWaS

March

TAPGEST

Slovak Investment Holding invested in **TapGest** under the SIH Anti-corona Capital Scheme, which provided development capital for innovative companies during the COVID-19 pandemic.

The advertising industry is also undergoing digitalisation and digital process transformation. TapGest develops digital signage. Digital signage is modern electronic advertising, ie interactive map, electronic poster, kiosk, information board or projection on a big screen. It is an environmentally-friendly and more aesthetic replacement of traditional advertising materials, eg posters or billboards.

“We would like to thank Slovak Investment Holding for their trust and a convertible loan for further development of our innovative digital screens. Our current goal is to fully utilise the market potential and expand into new segments. We firmly believe that we will fulfil these ambitions thanks to SIH’s support.“

Darko Ban, CEO, TapGestS

MAIN EVENTS OF 2021
April

Slovak Investment Holding invested in NEXINEO under the SIH Anti-corona Capital Scheme. **NEXINEO** is a Slovak technological company developing virtual computer solutions for schools and large organisations. NEXINEO equipment is used by more than 200 schools in Slovakia and the company is rapidly expanding in the V4 region and is targeting additional EU markets.

> A convertible loan from SIH is a perfect opportunity to acquire funds for the company's development. From the beginning, SIH's communication and approach was on a high and professional level. I would like to give my thanks for the opportunity to participate in this project. I believe that this investment will help us accelerate the company's international growth even more rapidly.

Stanislav Chlepko, CEO, NEXINEO

May

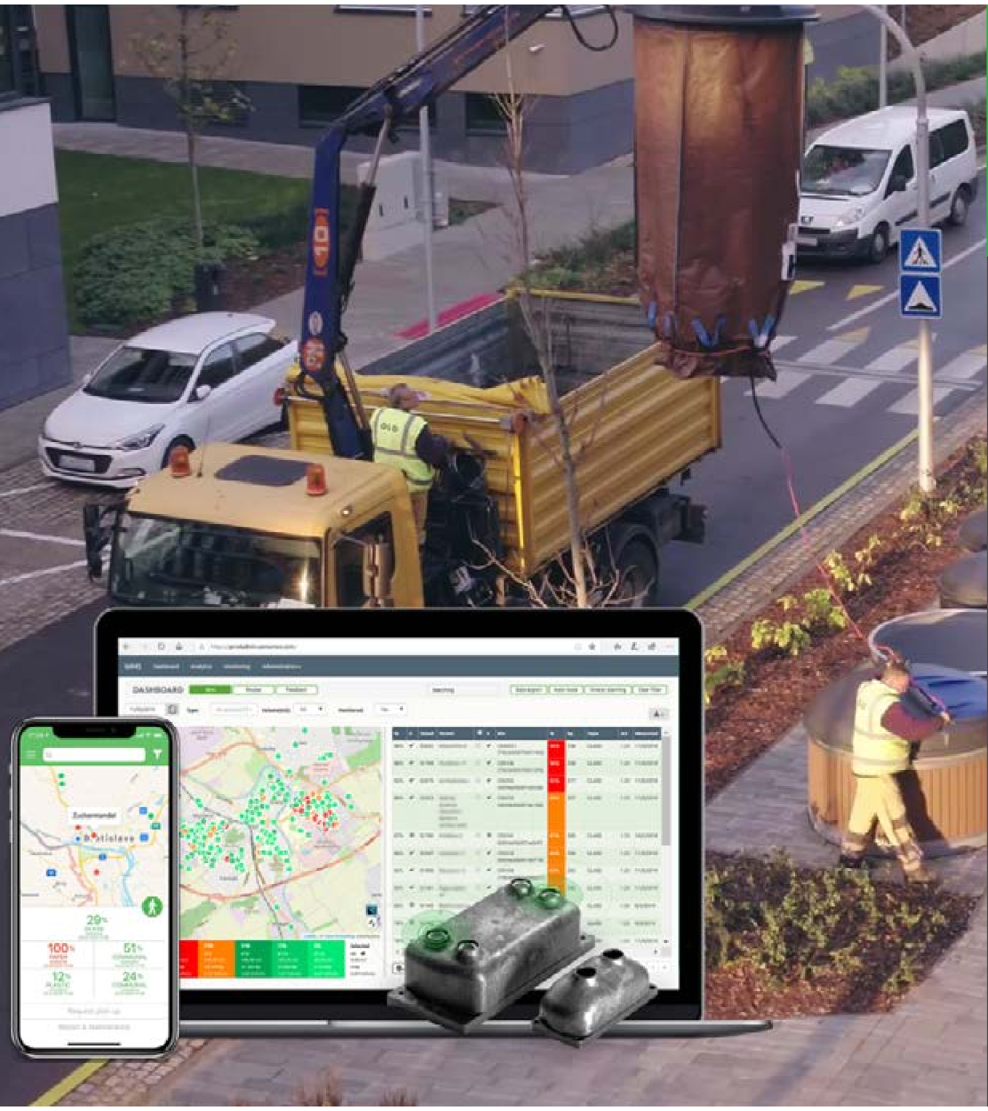
streamstar®

Streamstar, a Slovak technological company, which develops products for videoproduction and live streams, was granted an investment from Slovak Investment Holding under the SIH Anti-corona Scheme, which provides development capital for innovative companies during the COVID-19 pandemic.

> "A convertible loan from Slovak Investment Holding will allow us to accelerate the transformation of our solution into the cloud and will support the company's further development. We believe that we will be able to achieve our goals thanks to SIH's support."

Radoslav Tóth, CEO, Streamstar

MAIN EVENTS OF 2021
June



((SENSONEO))

Slovak Investment Holding invested in **SENSONEO** under the SIH Anti-corona Capital Scheme, which provides development capital for innovative companies during the COVID-19 pandemic.

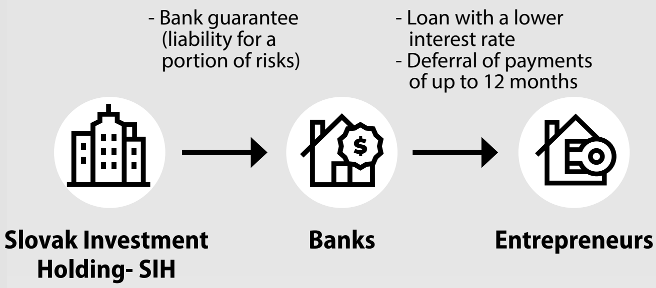
Sensoneo develops and provides innovative waste management solutions which allow cities and companies to manage waste in an efficient and transparent manner, protect the environment and improve the quality of life.

> SIH's investment helps us meet increasing demand and further expand. We appreciate that the state is our partner in this objective.

Martin Basila, CEO, SENSONEO

June

Anti-corona Guarantee



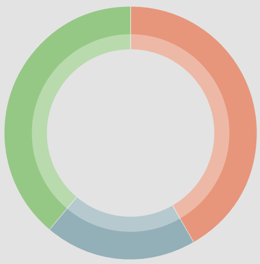
Comparison of Calls

	SIH Anti-corona Guarantee 1	SIH Anti-corona Guarantee 2
Start	1 March 2020	1 May 2020
Source of funding	EU funds	EU funds (guarantee 2A) and state budget (guarantee 2B)
Beneficiaries	SMEs	SMEs
Maximum loan amount	EUR 1.2 million	EUR 2 million
Interest rate	50% discount	max. 1.9% p.a. (3.9% for micro-businesses)
Employment retention reward	Interest subsidy up to 4% p.a.	No guarantee fee
Participating banks	Slovenská sporiteľňa VÚB BKS Bank UniCredit Bank Tatra banka ČSOB OTP Banka Oberbank	Slovenská sporiteľňa VÚB BKS Bank UniCredit Bank Tatra banka ČSOB OTP Banka SZRB J&T Banka Oberbank

As at 30 June 2021, the amount of loans provided to businesses in difficulty due to the COVID-19 pandemic secured by the SIH Anti-corona Guarantee Scheme (SIHAZ1, SIHAZ2a and SIHAZ2b programmes) exceeded EUR 1 billion (exact amount: **EUR 1.044 billion**) and the number of provided loans was **10 487**.

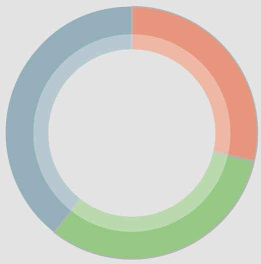
Instrument	Amount of loans provided (EUR million)	No. of loans	% of the instrument of total SIHAZ loans
SIHAZ1 (ESIF)	437.46	3 044	41.9%
SIHAZ2A (ESIF)	204.00	3 304	19.5%
SIHAZ2B (SFA)	403.03	4 139	38.6%
Total SIHAZ	**1 044.49**	**10 487**	**100.00%**

Amount of loans provided (EUR million)



EUR 1.044 billion

No. of loans



Loans 10 487

MAIN EVENTS OF 2021
July

ECOCAPSULE

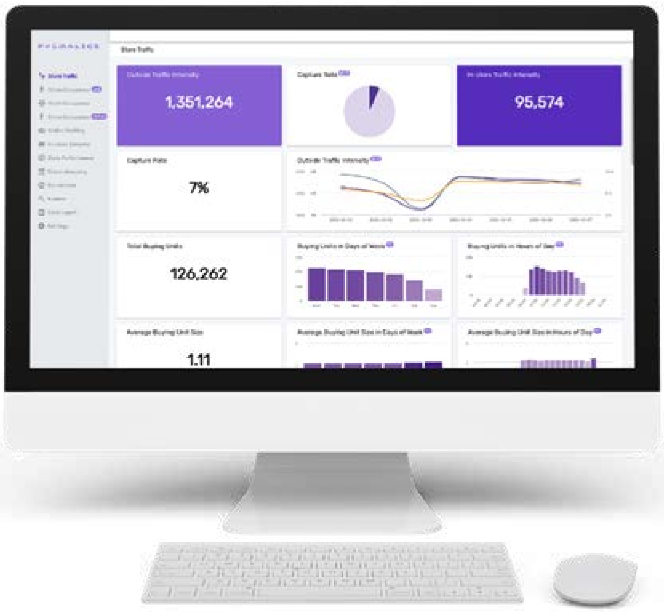
Slovak Investment Holding invested in **Ecocapsule** s.r.o. under the SIH Anti-corona Capital Scheme.

An ECOCAPSULE is a smart, self-sustainable micro-house, which utilises solar and wind energy. It allows its owners to stay in remote places out of reach of infrastructure. From the beginning, the product was designed and developed to be self-sufficient, practical and functional to the highest possible degree.

"SIH's investment will help improve and optimise some of the product's key technical aspects in order to improve its user standard and increase the business potential of the whole company."

Tomáš Žáček, founder and Innovation Director, Ecocapsule

July



PYGMALIOS

As part of the scheme to support innovative companies in adverse economic conditions caused by the pandemic, SIH invested in **PYGMALIOS**.

PYGMALIOS is a Slovak technological company developing solutions for the collection and analysis of customer behaviour in brick-and-mortar shops. These solutions are designed to help outlet operators better understand customer purchase patterns, optimise outlet design and improve the efficiency of operational processes based on customer footfall.

> "The partnership with Slovak Investment Holding is expected to accelerate our product growth and marketing and sales activities. The investment will allow us to utilise our potential to a greater extent by increasing our presence in new foreign markets."

Milan Novota, CEO, Pygmalios

MAIN EVENTS OF 2021
August

SIH places emphasis on the efficient use of funds. Therefore, we are pleased to provide funds for the renovation of public buildings and measures for increasing the energy efficiency of businesses. For this purpose, SIH made two investments in **e-DOME**, which is a member of the ESCO Slovensko Group, in the form of a loan agreement, in June and August 2021.

> Slovak Investment Holding considers the development of energy services market to be one of the key areas necessary for meeting the climate goals of Slovakia.

November

Grössling Bath

The Bratislava Capital City and Slovak Investment Holding (SIH) concluded a contract establishing a company which will undertake the reconstruction and operation of the Grössling Bath and Municipal Library. The Capital's partner will help with funding, to reduce the impact on the Capital's budget. Slovak Investment Holding will provide an investment of EUR 4.1 million as a contribution to the registered capital of a newly-established municipal company. Slovak Investment Holding as the fund manager of National Development Fund II. supports cultural and creative industry activities from European Structural and Investment Funds under the Integrated Regional Operational Programme (IROP).

> I am pleased that SIH has become a partner of this project because SIH, unlike private investors, also considers other parameters, eg the development of cultural institutions in the city, which are important to the city and its residents, rather than just commercial ones.

Mayor of the Bratislava Capital City

MAIN EVENTS OF 2021
December

Slovak Investment Holding provided a loan to Systeming to finance measures for increasing the energy efficiency of businesses and public buildings. **Systeming** provides a wide range of services. It specialises mainly in technological units, clean spaces and energy efficiency. In the energy sector, it focuses on the optimisation of energy consumption and achievement of energy benefits from energy savings.
We are pleased that the SIH's investment will support the vision of Systeming: "A world in which modern infrastructure functions in an environmentally friendly manner is a world we would like to pass on to our childre".

systeming

December

FILMZIE

At the end of 2021, Slovak Investment Holding made the last investment under the SIHAK scheme in an innovative company, **FILMZIE**.

Filmzie is a Slovak technology company with its own streaming platform, which provides free films and series with less ads than commercial televisions. The service is available on all devices – smart TVs, mobile phones, set-top boxes or via the web interface. Filmzie focuses on English-speaking markets; after launching the service in the UK, the company successfully entered the US market in 2021. The service is used by hundreds of thousands of viewers worldwide, to whom Filmzie brings a combination of well-known and independent titles, which makes it special among streaming services.

> We appreciate the trust and support from Slovak Investment Holding, which will help us raise awareness of Filmzie in our key markets and allow us to acquire attractive films for our ever-growing user base.

Matej Boďa, CEO, Filmzie

NATIONAL DEVELOPMENT FUND II.

3

NATIONAL
DEVELOPMENT
FUND II.

HOW WE INVEST

Slovak Investment Holding (SIH) has implemented financial instruments from the European Structural and Investment Funds in the 2014 – 2020 programming period via NDF II. We implement our investment activities in two main ways:

Implementation of financial instruments via financial intermediaries

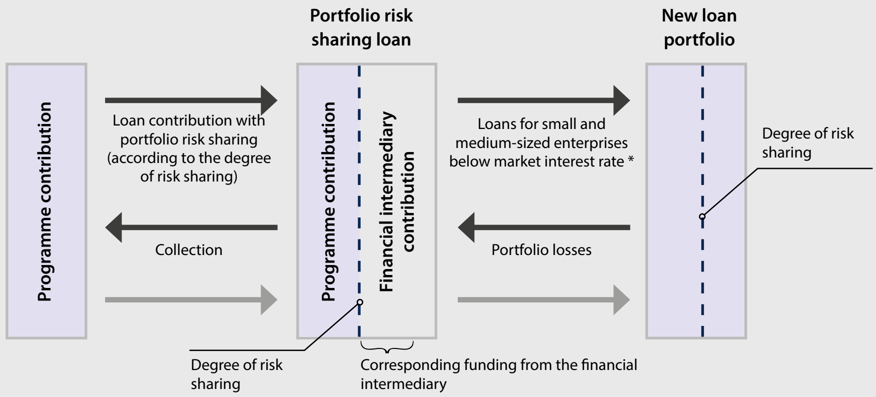
In areas where we support a relatively high number of projects with relatively low investment volumes, we implement financial instruments in an economically efficient manner via financial intermediaries, ie commercial banks, capital fund managers and other financial institutions. Financial intermediaries obtain funds, which are then provided to end beneficiaries under concessional terms and in accordance with the investment strategy. Individual investment decisions are taken independently by financial intermediaries and SIH has no input in this regard. Financial intermediaries are, in most cases, required to leverage the total investment funds by co-financing these projects from their own funds, or by raising funds from co-investors. This is how SIH implements financial instruments in most of its investment areas.

Implementation of financial instruments directly, without financial intermediaries

In areas where we support a relatively low number of projects with relatively high investment volumes, we implement financial instruments in an economically efficient manner directly without financial intermediaries. We use this investment model, in line with the EIB's ex-ante and SIH's investment strategy, to support infrastructure projects. Examples include capital or quasi-venture capital financing for innovative businesses and energy efficiency of buildings. We have supported the D4/R7 PPP project, and the loan to ŽSR (Slovak Rail) for a diagnostic vehicle project, several highly-innovative Slovak companies in this way, whose names and products are known worldwide.

TYPES OF FINANCIAL INSTRUMENTS WE OFFER[1]

A portfolio risk sharing loan works as follows:
SIH provides a loan to a commercial bank selected by public procurement. The bank then creates a portfolio of loans for end beneficiaries (eg SMEs, managers of residential buildings, social enterprises, etc), which are financed partly from SIH's funds and partly from the bank's own funds. SIH and the bank share the risk of loan defaults from the newly created loan portfolio proportionally. After the loans have been repaid by the end beneficiaries, funds are returned to SIH. SIH may then use them to support new projects in the same investment area.



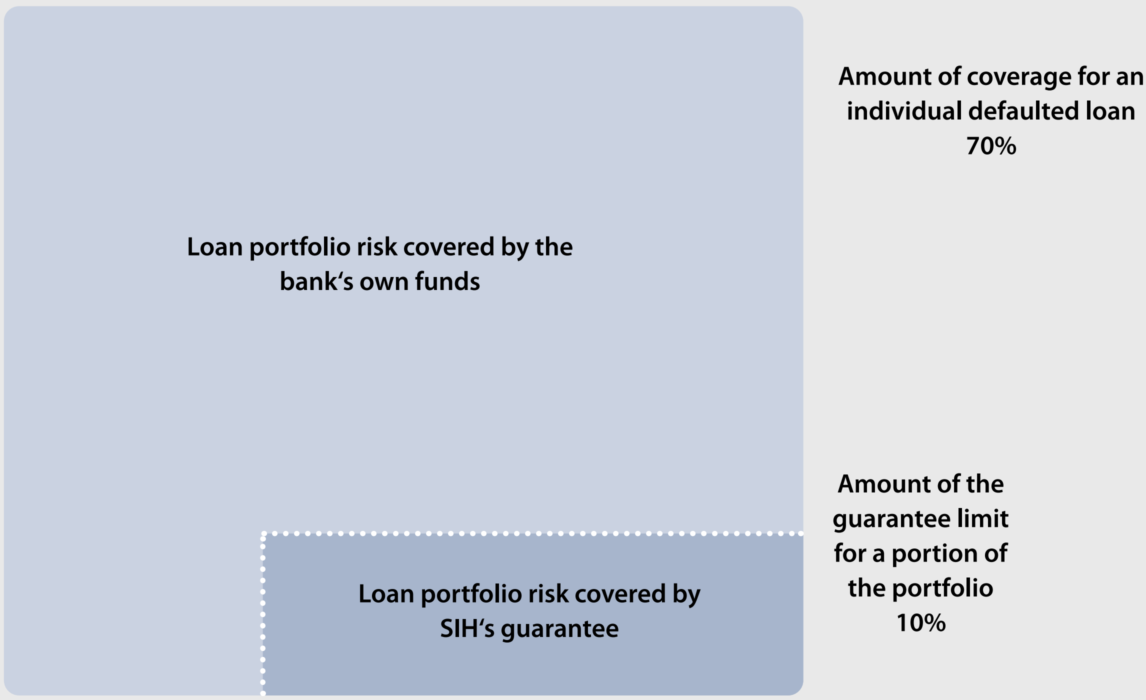
* The benefit of the interest rate will be passed on in full to SMEs

[1] The described types of financial instruments are for illustrative purposes only. SIH implements a high number of financial instruments in different investment areas and, therefore, individual instruments may differ from the illustrative examplesť.

NATIONAL DEVELOPMENT FUND II.

The **First Loss Portfolio Guarantee** works as follows:

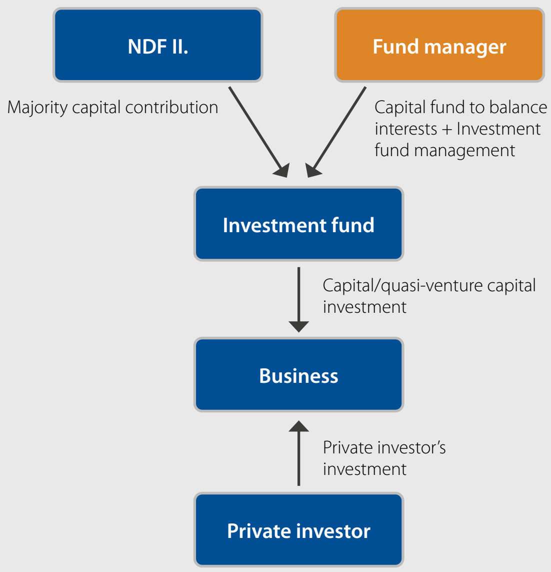
SIH provides a loss portfolio guarantee in favour of commercial banks operating in the Slovak Republic. The bank creates a portfolio of loans for end beneficiaries (eg SMEs, residential buildings, social enterprises, etc), which are financed solely from the bank's own funds. SIH then reimburses the bank for a specific portion of the loss from each defaulted loan (the "defaulted loan coverage amount") until the volume of defaulted loans exceeds a specific maximum level in the portfolio of newly-created loans (the "portfolio guarantee limit"). The portion of the guarantee that is not used to cover the bank's losses at the end of the investment period may be used to support new loans or projects in the same investment area. An illustrative example of setting the bank guarantee (the ratio of the risk borne by the bank and the risk borne by NDF II. differs depending on the terms of agreements with individual banks and the specific financial instrument):



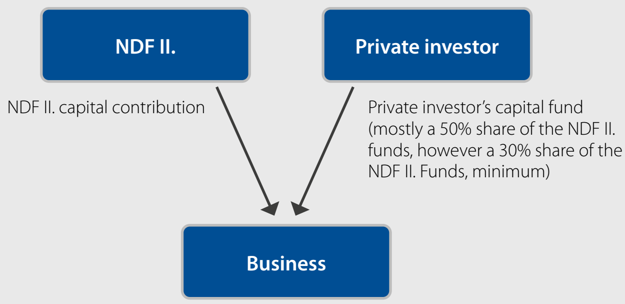
Venture capital financing works as follows:

SIH provides venture capital financing either via external fund managers or directly. The fund manager (or SIH for direct investments) creates a portfolio of venture capital investments at the level of end beneficiaries (eg innovative SMEs, waste management companies, etc). Investments take the form of venture capital or quasi-venture capital financing. The fund manager's venture capital investment (or that of SIH) acquires a stake in the assets of the target enterprise. After increasing the value of the investment, the fund manager (or SIH) exits the enterprise and sells its stake to a third investor. Funds used in this way are returned to SIH, which may reuse them to support new projects in the same investment area.

Venture Capital Financing Scheme through Fund Managers:



Venture Capital Financing Scheme Directly Funded from NDF II. Funds:

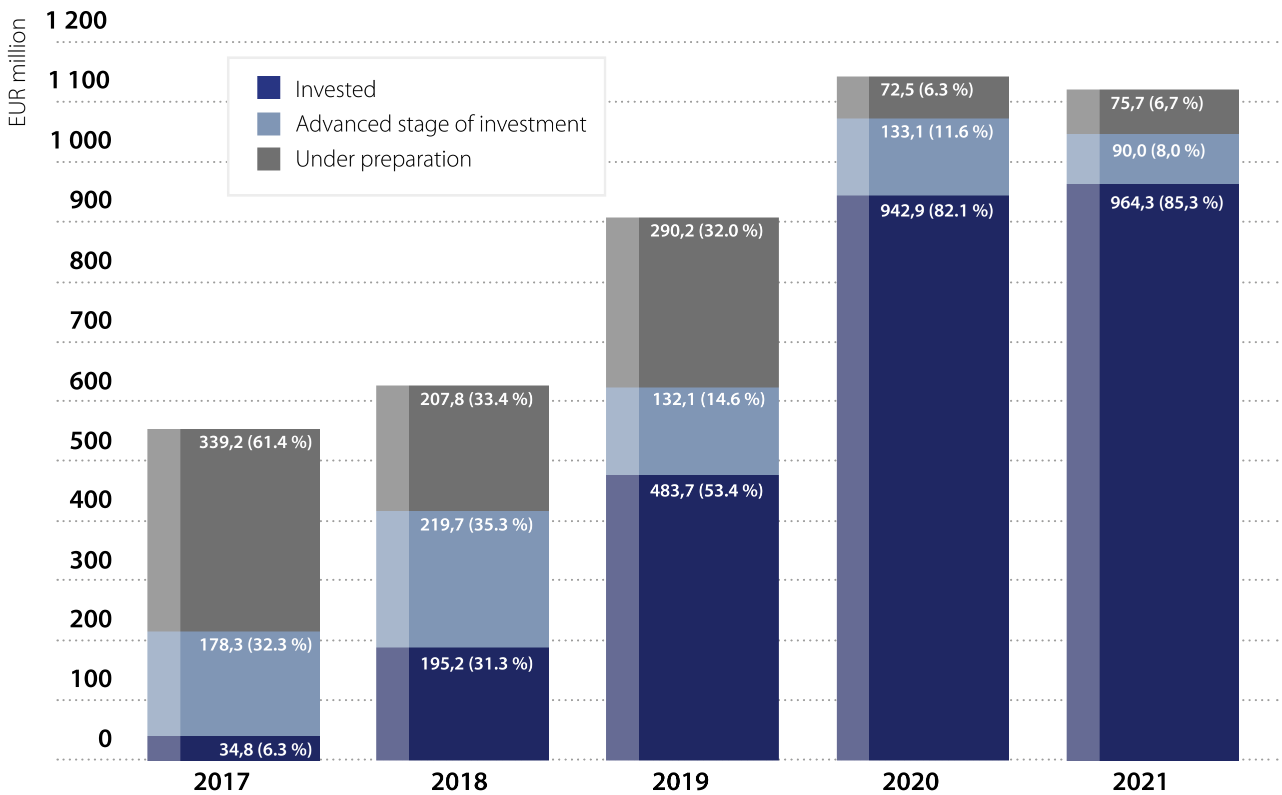


* Note: For the start-up support instrument, investment by a private co-investor is optional

NATIONAL DEVELOPMENT FUND II.

CONTINUED GROWTH OF INVESTMENT ACTIVITIES

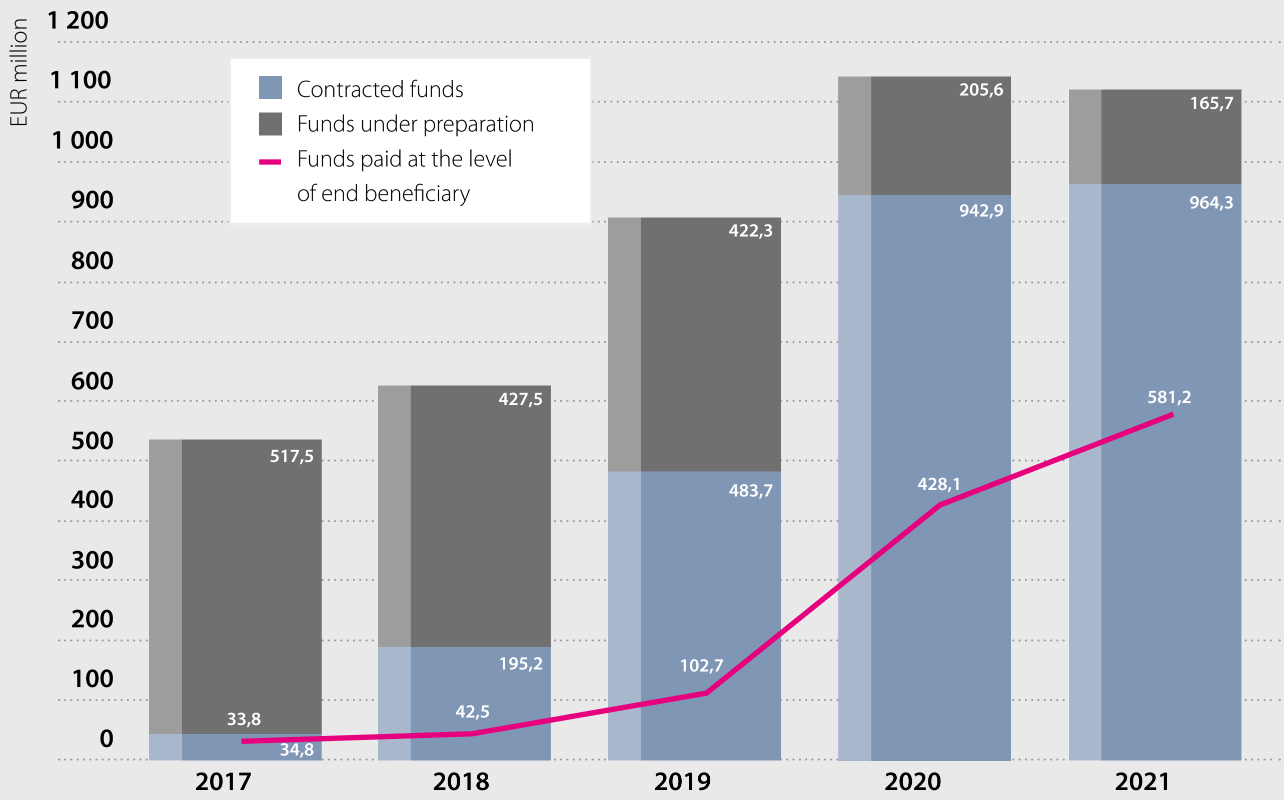
SIH made substantial progress in 2021 in managing NDF II as regards implementing financial instruments. At the end of 2021, we had invested more than 85.3% of all the available and contracted funds managed by NDF II (in the previous year: 82.1%). Other allocations for financial instruments amounting to 8.0% of available funds of NDF II. were in an advanced stage of investment at the end of 2021. Almost 93.3% of available funds managed by NDF II. were reinvested at the end of 2021, or were in an advanced stage of investment.



[1] In this context, reinvestment means an investment in an end beneficiary for our direct investments, or an investment in a financial intermediary for our indirect investments. In this context, available funds are those that SIH/NDF II. were authorised to implement in 2020.

[2] In this context, the advanced stage of investment means that the relevant funds are just before the conclusion of a financing agreement, or that public procurement for their management is in progress.

Development of Drawing over Time



NATIONAL DEVELOPMENT FUND II.

DIRECT INVESTMENTS (in 2021)

Target company: **P e W a S**
Sector: agrochemical industry
Innovative product: Aquaholder is a hydrostimulating seed treatment based on polymers that are able to absorb up to 100 to 500 more water than their weight.
Form of investment: convertible loan
Investment date: January 2021

Target company: **TapGest**
Sector: digital signage (advertising industry)
Innovative product: a platform enabling clients to share real-time marketing campaigns on an existing network of interactive screens.
Form of investment: convertible loan
Investment date: March 2021

Target company: **Streamstar**
Sector: production and live streaming
Innovative product: equipment enabling comprehensive management of sports broadcasts
Form of investment: convertible loan
Investment date: April 2021

Target company: **NEXINEO**
Sector: IT
Innovative product: Display equipment
Form of investment: convertible loan
Investment date: April 2021

Target company: **e-DOME**
Sector: Energy / Energy services
Innovative product: A financial product to support the development of the energy services market by financing ESCO companies.
Form of investment: direct loan
Investment date: June 2021, August 2021

Target company: **SENSONEO**
Sector: Waste management
Innovative product: Solutions for effective waste management
Form of investment: convertible loan
Investment date: June 2021

NATIONAL DEVELOPMENT FUND II.

DIRECT INVESTMENTS (in 2021)

ECOCAPSULE

Target company: **Ecocapsule**
Sector: mobile homes
Innovative product: smart and self-sustainable design “micro-house”
Form of investment: convertible loan
Investment date: July 2021

PYGMALIOS

Target company: **Pygmalios**
Sector: Data analytics
Innovative product: cloud solutions to collect, monitor and evaluate data on visitors of public commercial spaces
Form of investment: convertible loan
Investment date: July 2021

GRÖSSLING

Target company: **MKK Grössling**
Sector: Cultural and creative industry
Innovative product: A unique combination of city bath, library, park and café as part of a national cultural monument, which will contribute to sustainable employment and job creation in this sector by creating a favourable environment for the development of creative talent and non-technology innovations.
Form of investment: convertible loan
Investment partner: The Bratislava Capital City
Investment date: November 2021

systeming

Target company: **Systeming**
Sector: Energy / Energy services
Innovative product: A financial product to support the development of the energy services market by financing ESCO companies.
Form of investment: direct loan
Investment date: December 2021

FILMZIE

Target company: **Filmzie**
Sector: Media & Entertainment (streaming)
Innovative product: online platform providing free access to audio-visual content via streaming
Form of investment: convertible loan
Investment date: December 2021

NATIONAL DEVELOPMENT FUND II.

SIH HELPS DURING THE CRISIS

SIH ANTI-CORONA GUARANTEE - program of financial assistance to companies during the corona crisis

At the start of the COVID-19 pandemic, Slovak Investment Holding prepared the SIH Anti-corona Guarantee financial instrument to support small and medium-sized enterprises, in particular their operational needs during the pandemic. Concessionary bridging loans are provided via banks operating in the Slovak Republic. The first agreements with banks involved in the implementation of the instrument were signed in April 2020. The following eight banks joined the SIH Anti-corona Guarantee 1 (SIHAZ 1) programme: Oberbank AG pobočka zahraničnej banky v Slovenskej republike, Slovenská sporiteľňa, a.s., UniCredit Bank Czech Republic and Slovakia, a.s., pobočka zahraničnej banky, Československá obchodná banka, a.s., Všeobecná úverová banka, a.s., OTP Banka Slovensko, a.s., Tatra banka, a.s. and BKS Bank AG, pobočka zahraničnej banky v SR. The financial instrument also includes an interest subsidy up to 4% p.a., which is granted to the client if they maintain the level of employment in the reference period. By the end of 2021, 3 727 loans totalling EUR 516.7 million were provided via SIHAZ 1.

In connection with SIHAZ 1, SIH prepared a second financial instrument – SIH Anti-corona Guarantee 2 governed by a Temporary Framework for State Aid Measures to Fight the COVID-19 Pandemic, which unlike the first instrument was temporary. The following 11 banks were involved in the instrument: Všeobecná úverová banka, a.s., Slovenská sporiteľňa, a.s., Tatra banka, a.s., UniCredit Bank Czech Republic and Slovakia, a.s., pobočka zahraničnej banky, Slovenská záručná a rozvojová banka, a. s., Československá obchodná banka, a.s., OTP Banka Slovensko, a. s., BKS Bank AG, pobočka zahraničnej banky v SR, Oberbank AG pobočka zahraničnej banky v Slovenskej republike, Poštová banka, a.s., and J & T BANKA, a.s., pobočka zahraničnej banky. SIHAZ 2 is funded from the Operational Programme Integrated Infrastructure (OPII) and from state financial assets. By the end of 2021, 3 304 loans totalling EUR 204 million were provided via SIHAZ 2, funded by OPII. By the end of 2021, 4 140 loans totalling EUR 402.8 million were provided via SIHAZ 2, funded by state financial assets. The loans provided via the SIH Anti-corona Guarantee instruments at the end of 2021 totalled EUR 1.1 billion.

Given the increased demand for the SIHAZ 1 instrument from bank clients, SIH plans to increase funds and extend the implementation period for this instrument in 2022 in order to provide preferential funding to clients in 2022 and 2023.

SIH ANTI-CORONA CAPITAL

One of SIH's responses to the economic impacts of the COVID-19 pandemic was the SIH Anti-corona capital programme (SIHAK), prepared in cooperation with the Ministry of Finance of the Slovak Republic and the Slovak Alliance for Innovation Economy (SAPIE). SIHAK is a convertible loan primarily for innovative companies, which are funded by venture capital. These companies do not usually qualify for traditional loan financing due to a lack of profitability as a result of being in a growth phase and related operating investments in the development and implementation of products and services. The COVID-19 pandemic had a direct impact on companies by reducing their revenues, and also caused uncertainty in financial markets, which had a serious impact on the European venture capital market and led to the disruption or postponement of investments. However, these investments are necessary for the development of innovative companies, the gradual transition to the knowledge economy and support for the competitiveness of the Slovak Republic and the EU in the long term.

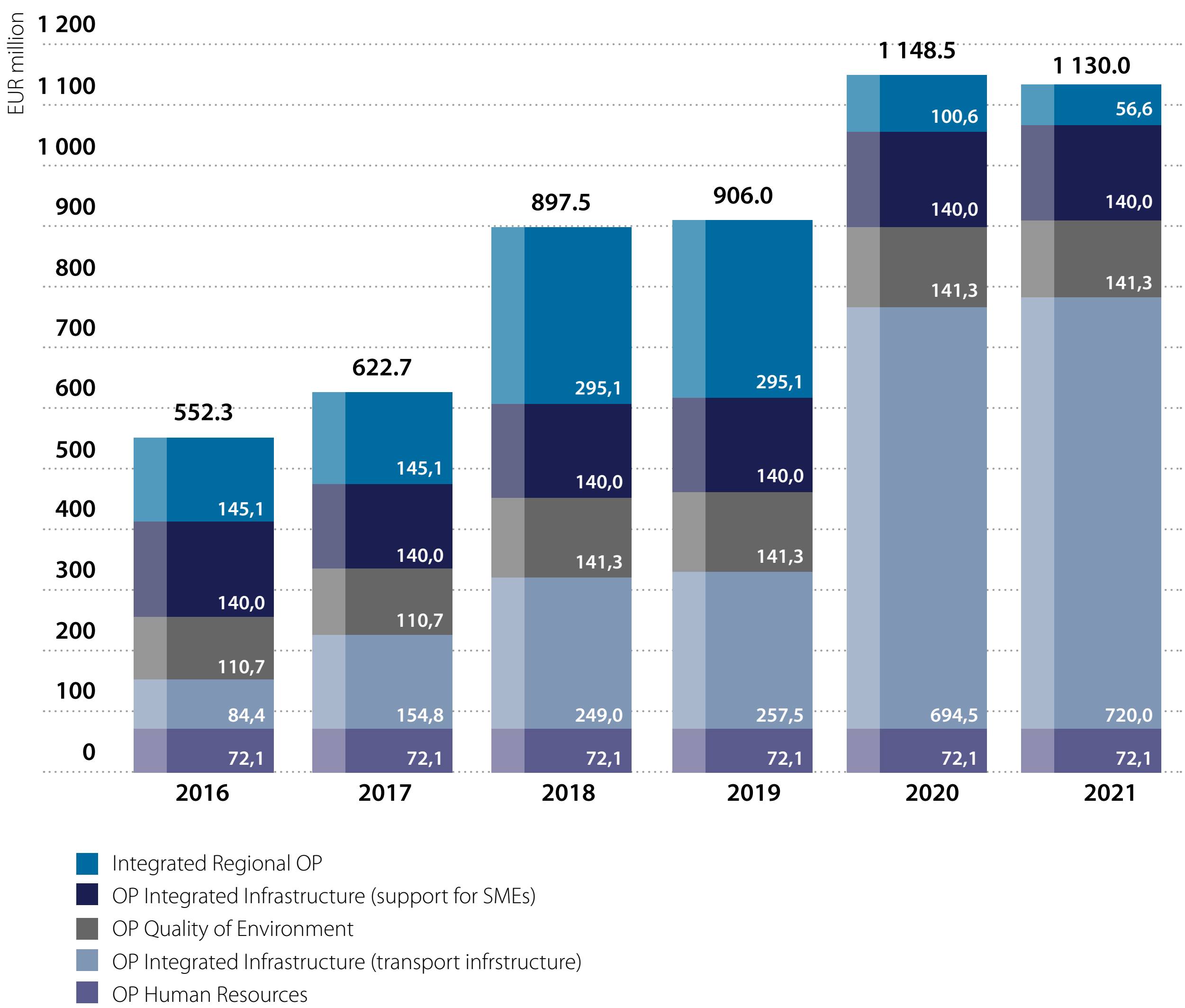
SIHAK is based on the European Commission's Temporary Framework for State Aid Measures to Support the Economy in the Current COVID-19 Outbreak.

From the originally approved 12 companies, as at 31 December 2021 SIH had invested funds amounting from EUR 200 thousand to EUR 645 thousand via convertible loans in 8 target innovative companies, depending on the fulfilment of required criteria. The allocation of funds for these companies totalled almost EUR 4 million and the maximum maturity of provided loans is 36 months. The portfolio of funded companies includes a wide range of growth areas, eg smart waste management or data analytics. Such investments aim to support the creation of know-how and the resulting transformation to the knowledge-based economy.

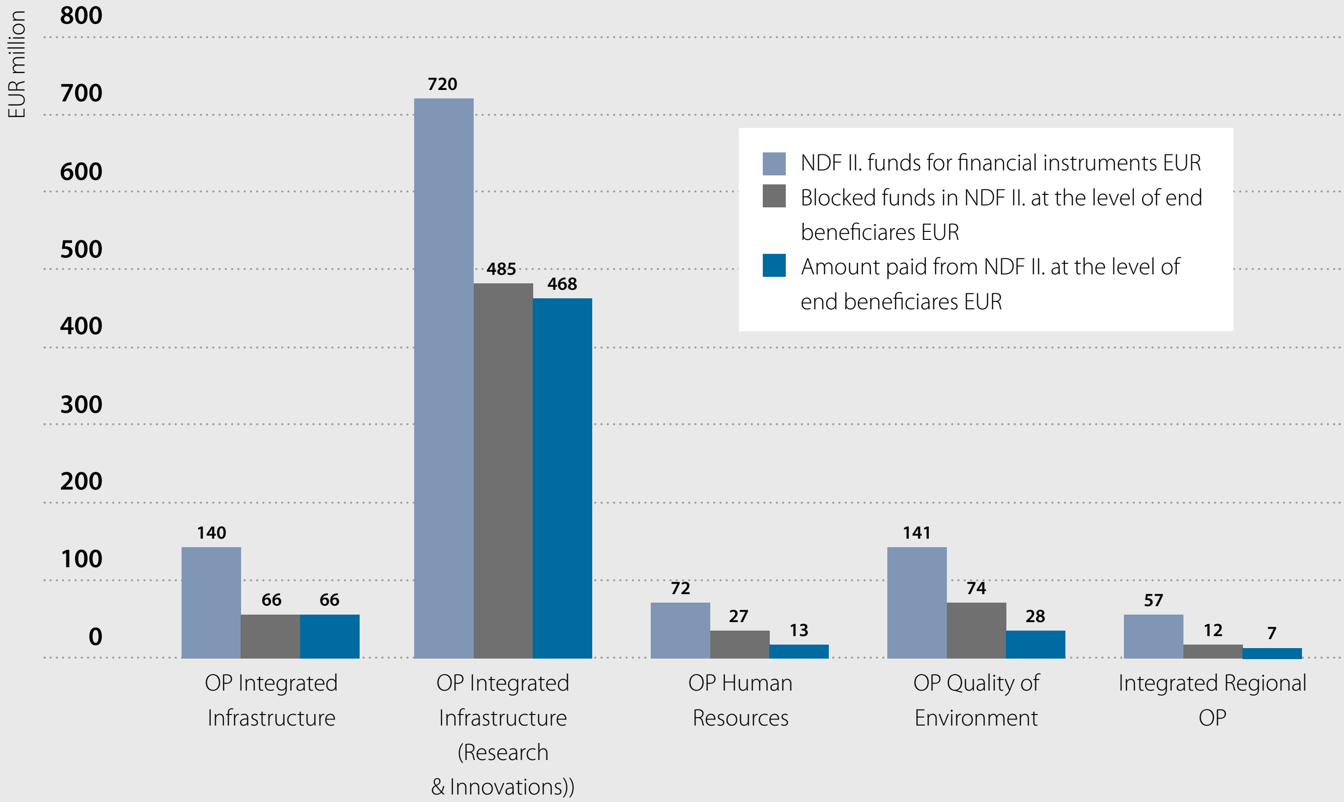
NATIONAL DEVELOPMENT FUND II.

OUR FUNDS AND INVESTMENT AREAS

Amount of NDF II Funds by Operational Programmes (EUR million)

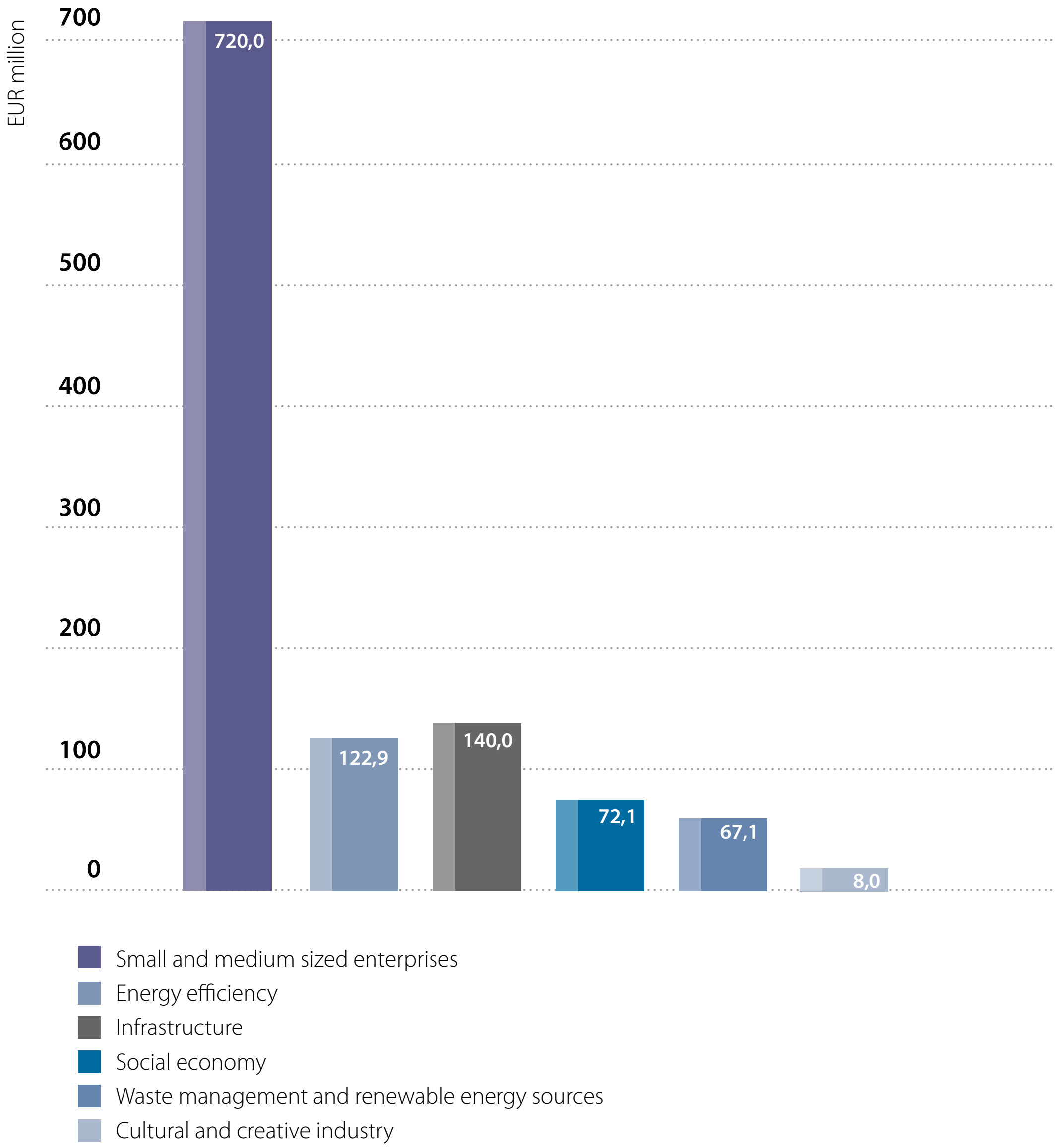


Amount of Funds by OP in NDF II.

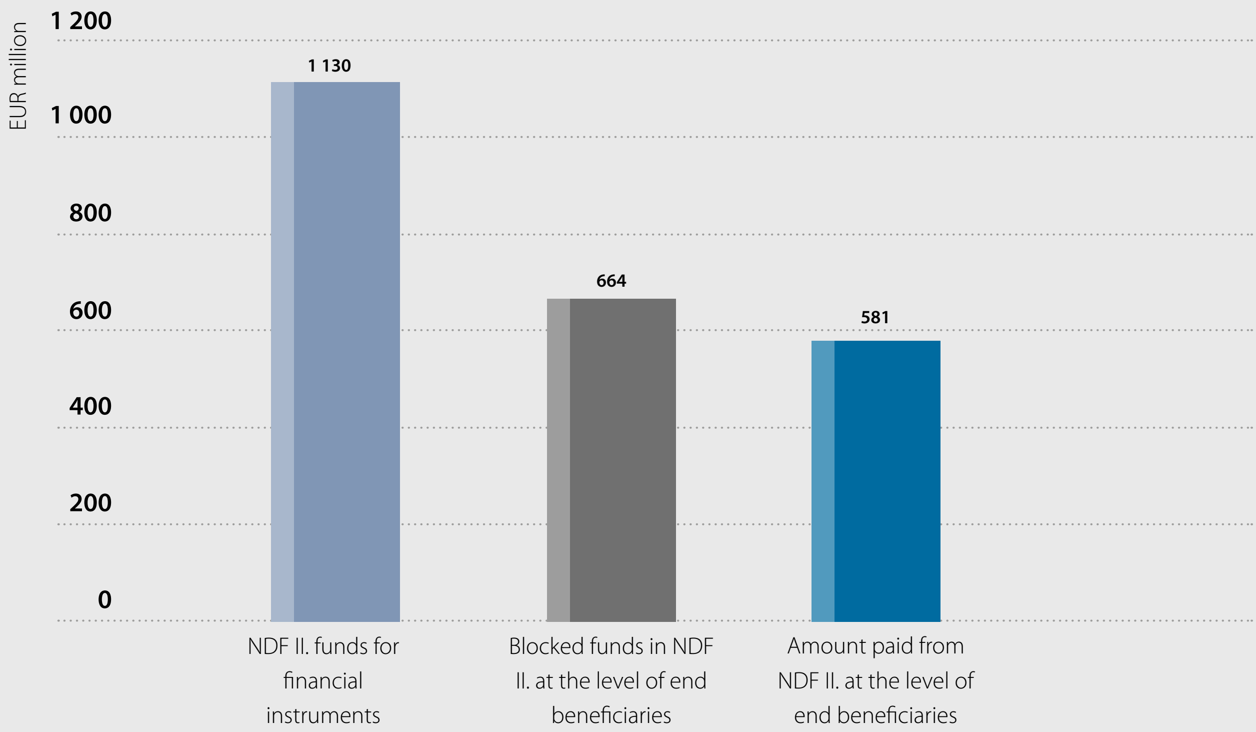


NATIONAL DEVELOPMENT FUND II.

Allocation of NDF II. Funds by Area (2021)



Total Funds in NDF II.



NATIONAL DEVELOPMENT FUND II.

IMPLEMENTATION BY OPERATIONAL PROGRAMMES

Operational Programme
Integrated Infrastructure

OPERAČNÝ PROGRAM INTEGROVANÁ INFRAŠTRUKTÚRA 2014-2020

NATIONAL DEVELOPMENT FUND II.

Transport Infrastructure

Instrument/Area	Information
D4R7 project NDF II. project allocation: EUR 28 million	- Subordinated loan for Bratislava motorway bypass construction - The investment has been made and the project is being monitored.
ŽSR project – Diagnostic vehicles NDF II. project allocation: EUR 30 million	- Loan for ŽSR (Slovak Rail) for the purchase of two diagnostic vehicles - EUR 30 million invested by NDF II.
ŽSR project – ŽST Košice (Košice Railway Station) NDF II. project allocation: EUR 12.7 million	- Loan for ŽSR (Slovak Rail) for the reconstruction of platforms at Košice Railway Station - SIH presented a proposal to ŽSR at their request.
Other areas	- In cooperation with the Ministry of Transport and Construction of the Slovak Republic, SIH is exploring additional possibilities for the use of financial instruments, eg in the area of electric mobility and alternative fuels, intermodal terminals, railway and road infrastructure, etc.

Operational Programme
Integrated Infrastructure

OPERAČNÝ PROGRAM INTEGROVANÁ INFRAŠTRUKTÚRA 2014-2020

NATIONAL DEVELOPMENT FUND II.

Support of SMEs

Instrument/Area	Information
PRSL (Portfolio Risk Sharing Loan) NDF II. instrument allocation: EUR 24.2 million	- Credit financial instrument for supporting SMEs - Party: SZRB - 85 loans granted amounting to EUR 23.5 million
FLPG (First Loss Portfolio Guarantee) NDF II. instrument allocation: EUR 12.1 million	- Guarantee financial instrument for supporting SMEs - Party: UCB - 95 loans granted totalling EUR 40.8 million
FLPG_VVI (First Loss Portfolio Guarantee) NDF II. instrument allocation: EUR 8.6 million	- Guarantee financial instrument for supporting research, development and innovation at SMEs - Parties: SLSP; VÚB - 15 loans granted totalling EUR 8.3 million
SIHAZ 1 (SIH Anti-corona Guarantee 1) NDF II. instrument allocation: EUR 325.3 million	- Guarantee financial instrument for supporting SMEs affected by the COVID-19 pandemic - Parties: SLSP; BKS; VÚB; UCB; Oberbank; ČSOB ; OTP; TB - 3 727 loans granted to businesses: EUR 516.7 million
SIHAZ 2A (SIH Anti-corona Guarantee 2A) NDF II. instrument allocation: EUR 183.6 million	- Guarantee financial instrument for supporting SMEs affected by the COVID-19 pandemic - Parties: VÚB; SLSP; TB; ČSOB; SZRB; BKS; UCB; OTP; Poštová banka; J&T; Oberbank - 3 304 loans granted amounting to EUR 204.0 million
SIHAZ 2B (SIH Anti-corona Guarantee 2B) Instrument allocation: EUR 362.5 million	- Guarantee financial instrument for supporting SMEs affected by the COVID-19 pandemic - Parties: VÚB; SLSP; TB; ČSOB; SZRB; BKS; UCB; OTP; Poštová banka; J&T; Oberbank - 4 140 loans granted amounting to EUR 402.8 million

NATIONAL DEVELOPMENT FUND II.

IMPLEMENTATION BY OPERATIONAL PROGRAMMES

Operational Programme
Integrated Infrastructure

OPERAČNÝ PROGRAM INTEGROVANÁ INFRAŠTRUKTÚRA 2014-2020

NATIONAL DEVELOPMENT FUND II.

Instrument/Area	Information
Funds for the support of start-ups NDF II. instrument allocation: EUR 68.08 million	- Equity financial instrument for the support of start-ups - Contractual parties (fund managers): Vision Ventures, CB Investment Management, Zero Gravity Capital - 50 contracted investments amounting to EUR 28.75 million from funds + additional EUR 9.73 million of private capital
Direct investments NDF II. project allocation: EUR 64.08 million	- Equity and quasi-equity investments implemented directly by NDF II. - Total of contracted funds: EUR 30.6 million; drawn: EUR 28.9 million - Investments made into 10 companies totalling EUR 26.7 million; Boataround – EUR 0.47 million; Aeromobil – EUR 3.1 million; GA Drilling – EUR 4.6 million; Greenway – EUR 5.0 million; KOOR – EUR 2.0 million; QRES – EUR 1.9 million; Enstra – EUR 2.8 million; OMNIA KLF – EUR 2.8 million; GymBeam – EUR 2 million; GA Holding – EUR 2 million - SIHAK instrument– investments in the form of convertible loans; 8 companies were supported with a total amount of EUR 4 million.

Integrated Regional
Operational Programme

Integrovaný regionálny operačný program 2014 - 2020

NATIONAL DEVELOPMENT FUND II.

Instrument/Area	Information
PRSL_EE1 (Portfolio Risk Sharing Loan) NDF II. instrument allocation: EUR 5.9 million	- Credit financial instrument for supporting energy efficiency of residential buildings - Party: OTP - 2 loans granted totalling EUR 394.6 thousand
PRSL_EE2 (Portfolio Risk Sharing Loan) NDF II. instrument allocation: EUR 39.8 million	- Credit financial instrument for supporting energy efficiency of residential buildings - Party: SLSP - 33 loans granted amounting to EUR 9.6 million
Cultural and creative industry NDF II. instrument allocation: EUR 6.5 million	- Cultural and creative industry projects were supported directly by NDF II. - Several projects were identified based on an update of the ex-ante analysis with regard to the cultural and creative industries. - SIH signed an investment contract on the reconstruction of the Grössling Bath amounting to EUR 4.1 million. - The Múzeum literatúry Revúca (Museum of Literature in Revúca) project is being considered as a potential investment of up to EUR 4.1/2.4 million.

NATIONAL DEVELOPMENT FUND II.

IMPLEMENTATION BY OPERATIONAL PROGRAMMES

Operational Programme
Quality of Environment

OPERAČNÝ PROGRAM KVALITA ŽIVOTNÉHO PROSTREDIA

NATIONAL DEVELOPMENT FUND II.

Instrument/Area	Information
Funds for the support of waste management and renewable energy sources NDF II. instrument allocation: EUR 62.37 million for waste management + EUR 5.47 million for renewable energy sources	- Equity financial instrument for the support of waste management and renewable energy sources projects - Contractual parties (fund managers): Wasteland, CEE, IPM. - 12 contracted waste management investments totalling EUR 38.26 million from funds + additional EUR 25.4 million of private capital - 1 contracted renewable energy sources investment amounting to EUR 2.8 million from funds + additional EUR 1.2 million of private capital
Energy efficiency of public buildings NDF II. instrument allocation: EUR 41.7 million	- From 2019 to 2021, SIH in cooperation with the EIB implemented a technical assistance project for towns and cities / self-governments to prepare GES projects. - As at December 2021, long-term loans for the reconstruction of public buildings amounting to EUR 10.0 million, EUR 10.0 million and EUR 3.0 million were granted to KOOR and eDome (SPP/ČEZ Group), which are providers of guaranteed energy services, and to Systeming, respectively.
Energy efficiency of SMEs NDF II. instrument allocation: EUR 21.8 million	- As at December 2021, long-term loans for energy efficiency of businesses amounting to EUR 5 million and EUR 2 million were granted to KOOR (provider of guaranteed energy services) and Systeming, respectively. - There is an ongoing discussion with other energy services providers with a relatively high likelihood of a contract being concluded.

Operational Programme
Human Resources

OPERAČNÝ PROGRAM
ĽUDSKÉ ZDROJE

NATIONAL
DEVELOPMENT
FUND II.

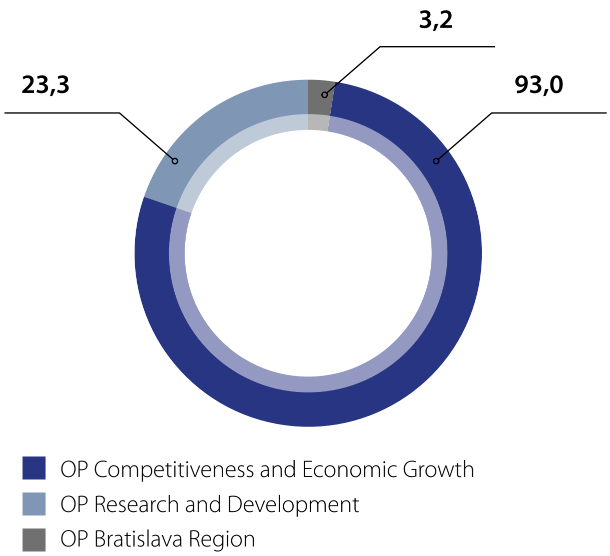
Instrument/Area	Information
FLPG_SE NDF II. instrument allocation: EUR 7.31 million	- Guarantee financial instrument for supporting SMEs in social economy - Parties: Slovenská sporiteľňa, a. s. and Towarzystwo Inwestycji Spoleczno-Ekonomicznych SA (TISE) - 6 loans granted amounting to EUR 7.7 million
Direct investment in social housing NDF II. instrument allocation: EUR 25 million	- A joint venture, Dostupný Domov, j. s. a., partners of SLSP and Nadácia SLSP (foundation) - By the end of Q4 2021, EUR 11.73 million had been drawn from NDF II. funds.
PRSL_SE NDF II. instrument allocation: EUR 10.16 million	- Credit financial instrument for supporting social enterprises and social housing - First loans will be granted in 2022.
Funds for the support of social economy enterprises NDF II. instrument allocation: EUR 22.6 million	- Equity financial instrument for the support of social economy enterprises - Contractual parties (fund managers): CB ESPRI Impact One, s.r.o. and Sociálni Inovátori Impact Capital, s.r.o. - Funds are being established.

NATIONAL DEVELOPMENT FUND I. – FINANCIAL INSTRUMENTS FOR THE 2007-2013 PROGRAMMING PERIOD

NATIONAL
DEVELOPMENT
FUND I.

The main role of SIH in the administration of NDF. I is to manage the portfolio of investments funded under the JEREMIE programme from EU Structural Funds in the 2007-2013 programming period. The aim of the programme was to support SMEs. Funds for this investment programme came from the managing authorities administering the Operational Programme Competitiveness and Economic Growth, Operational Programme Research and Development and Operational Programme Bratislava Region. The final amount of funds is shown in the graph below.

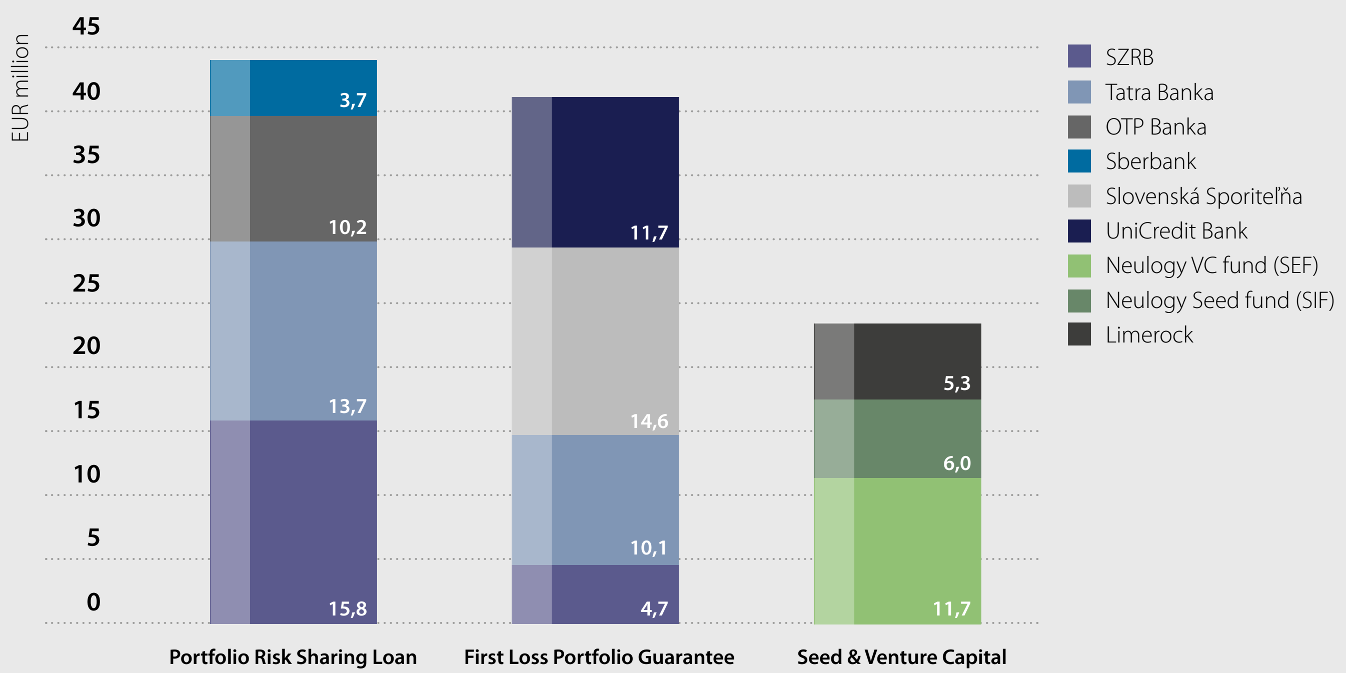
Amount of NDF I. funds by operational programme (EUR million)



4

The portfolio of funds contracted in NDF I. at the end of the investment period (as at 31 October 2016) is shown in the chart below. Almost EUR 23 million was allocated for venture capital financing of SMEs and the implementation was carried out by the fund managers Limerock Fund Manager and Neulogy Ventures. More than EUR 41 million was used for the first loss portfolio guarantee financial instrument implemented by Slovenská sporiteľňa, Slovenská záručná a rozvojová banka, Tatra banka and UniCredit Bank, and EUR 43.4 million was used for a portfolio risk sharing loan via financial intermediaries OTP Banka Slovensko, Sberbank Slovensko (currently Prima banka Slovensko), Slovenská záručná a rozvojová banka and Tatra banka. The financial intermediaries were selected by the original manager of NDF I., the European Investment Fund.

Allocation of NDF I. investments by financial intermediaries and instruments (as of year-end)

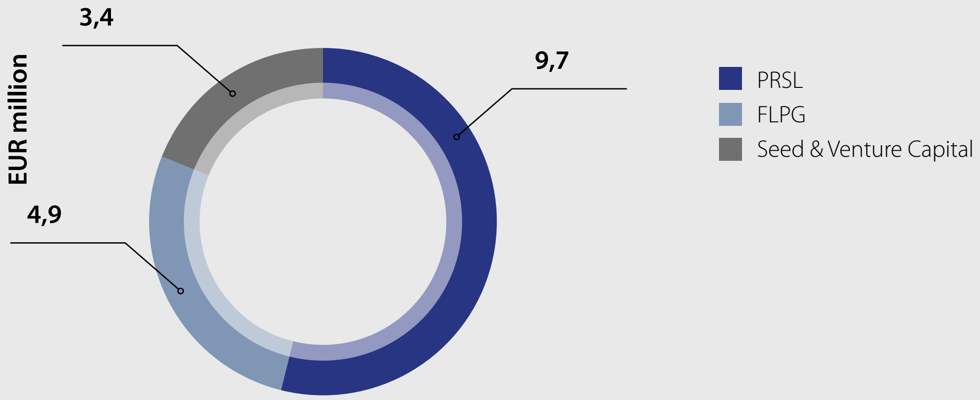


SLOVAK INVESTMENT HOLDING
SZRB GROUP

NATIONAL DEVELOPMENT FUND I. – FINANCIAL INSTRUMENTS FOR THE 2007-2013 PROGRAMMING PERIOD

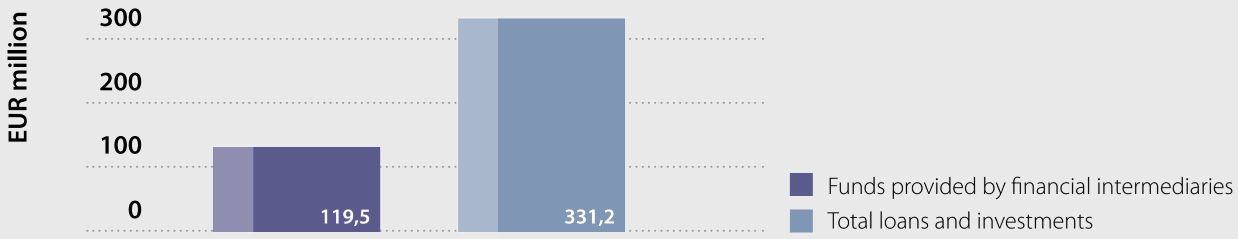
In 2021, there were reflows from the funds contracted in NDF I. EUR 2.997 million was returned from the portfolio risk sharing loan (PRSL) instrument. In 2021, there were EUR 0.465 million of reflows from the first loss portfolio guarantee (FLPG) instrument. The manager returned EUR 1.183 million from the venture capital instrument in connection with an investment. A portion of the total reflows, ie EUR 5 million, was contractually allocated to the investment in VFF, of which EUR 982 thousand was drawn to VFF during 2021.

(as of year-end)



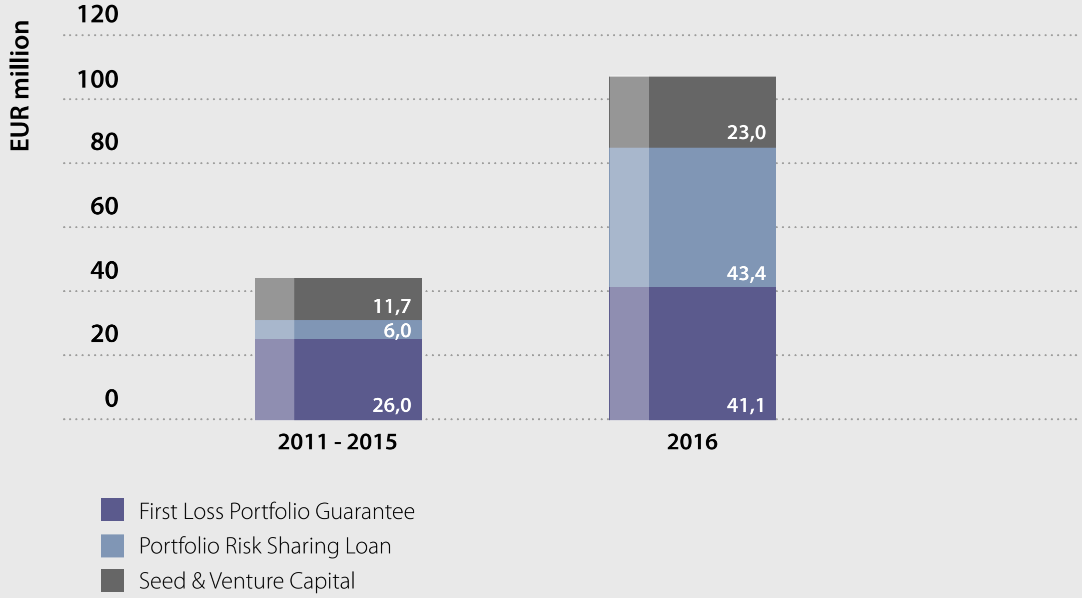
One of the main advantages of financial instruments is their leverage effect. Leverage means that every euro of public funds allocated to the investment is able to attract additional private funds and thus multiply the total volume of investment for end beneficiaries. For NDF I., a portfolio of loan and venture capital investments totalling EUR 331.2 million was created using EUR 119.5 million of public funds managed by SIH. We consider this ratio to be an excellent example of the efficient use of public investment funds.

Leverage effect of NDF I. (as of year-end)



At the time of the creation of the JEREMIE programme, there were no authorities in Slovakia capable of managing financial instruments, so the management of NDF I. was initially assigned to the European Investment Fund. After the creation of SIH, the management of NDF I. was transferred to our company as of 1 January 2016. This step was proven correct by more intensive investment activities. During the first 10 months of our management of NDF I., SIH more than doubled the volume of investments, thus minimising the volume of unabsorbed and decommitted EU structural funds.

Investment of NDF I. funds



NATIONAL DEVELOPMENT FUND I. – FINANCIAL INSTRUMENTS FOR THE 2007-2013 PROGRAMMING PERIOD

After the end of the investment period, the management activities of NDF I. focused on the management and administration of the investment portfolio. An important post-investment activity of NDF I., which demonstrates one of the biggest advantages of using financial instruments (compared to grant and subsidy schemes), is the reinvestment of reflows. As financial instruments are repayable, after repayment these funds are reused for new investments. During its management of NDF I., SIH made or prepared the following investments funded by reflows:

EUROPEAN INVESTMENT FUND

Investment:	**Central European Fund of Funds** (CEFoF)
Manager:	European Investment Fund
Co-investors:	Czech Development Bank ČMZRB, European Investment Fund, Hungarian Development Bank MFB, International Investment Bank, Austrian Development Bank OeEB, Slovenian Business Fund SEF
Investment strategy:	venture capital financing for fund managers in Central Europe
Investment objective:	venture capital financing for SMEs and small mid-caps in Central Europe
Status:	investment activity in progress
Main activities of SIH/NDF I. in 2021:	
	transfer of investment funds to CEFoF (draw-downs), monitoring of CEFoF's investment activities, participation in meetings of the Supervisory Board

VENTURE TO FUTURE FUND

Investment:	**Venture to Future Fund** (VFF)
Manager:	Slovak Asset Management
Co-investors:	Ministry of Finance of the Slovak Republic, NDF I., European Investment Bank and SAM
Investment strategy:	venture capital financing for companies in the growth phase
Investment objective:	Slovak SMEs with a strong innovation or technological element
Status:	investment activity in progress
Main activities of SIH/NDF I. in 2021:	
	transfer of investment funds to VFF (draw-downs), monitoring of VFF investment activities

The investment in VFF amounts to EUR 40.4 million, of which:

- EUR 25 million is provided by the Ministry of Finance of the Slovak Republic via state financial assets;
- EUR 5 million by NDF I. from JEREMIE reflows (NDF I.);
- EUR 10 million by the European Investment Bank (EIB); and
- EUR 0.4 million by Slovak Asset Management (SAM) from own funds.

As stated above, in response to the emerging COVID-19 pandemic in March 2020, after SIH Anti-corona Guarantee scheme 1, SIH also prepared a SIH Anti-corona Guarantee financial instrument 2 consisting of SIHAZ 2a and SIHAZ 2b. NDF I. became the manager of the latter. Similar to its "counterpart", SIHAZ 2b consists of guarantees for Slovak banks by which NDF I. assumes 90% of the credit risk arising from new loans. This instrument aims to help SMEs and large companies overcome difficulties caused by the pandemic while retaining employment. The financial instrument is funded from state financial assets.

Similar to SIHAZ 2a, 11 Slovak banks were contracted under this scheme as at 31 December 2021. The banks supported 4 051 companies and granted loans totalling EUR 402.8 million, of which almost EUR 392.6 million was drawn by the end of 2021. See Part 3 for more detailed information about common features of the SIHAZ 2a and 2b schemes.

5 SLOVAK ASSET MANAGEMENT

SLOVAK
ASSET
MANAGEMENT

Slovak Asset Management, správ. spol., a. s. (SAM), a 100% subsidiary of SIH, obtained a permit in 2018 to create and manage alternative investment funds from the National Bank of Slovakia. The permit allows SAM to establish and manage alternative investment funds in all EU Member State. SAM is the first licenced public manager of such funds in the Slovak Republic and, according to available information, the first in Central and Eastern Europe.

The first, and currently the only, fund managed by SAM is Venture to Future Fund, a.s. (VFF).

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Venture to Future Fund, a.s. (VFF)

VENTURE
TO FUTURE
FUND

VFF is an investment fund which will invest EUR 40.4 million provided by investors over its investment period as follows:
- EUR 25 million from the Ministry of Finance of the Slovak Republic via state financial assets;
- EUR 5 million from NDF I. from JEREMIE reflows (NDF I.);
- EUR 10 million from the European Investment Bank (EIB); and
- EUR 0.4 million from Slovak Asset Management (SAM) from its own funds.

In Slovakia, which has an underdeveloped capital market, VFF acts as a supporter of venture capital, thus contributing to the development of a knowledge-based society and it supports projects with high added-value and potential for the development of disruptive technologies.

At the local level, VFF's structure represents a unique model, as it represents an alternative investment fund, which invests public funds based on market principles, thus contributing to an increase of the available capital while maintaining a transparent environment. It is the first fund of its kind in the CEE region, which was co-established by the EIB via venture capital co-financing.

VFF takes a general sector-based approach, focusing on innovative and technological companies operating in Slovakia, or with a direct capital link to Slovakia. The fund's investment strategy is to provide venture capital to SMEs in the growth phase of their life cycle with the potential to expand into other European and global markets. Investments are made as venture capital or quasi-venture capital financing based on the pari-passu principle with independent co-investors. VFF acquires a stake in a target company's assets in exchange for the provision of funds for its development. After increasing the value of the investment, VFF seeks to exit the company, either by selling its stake, or by another method (eg stock market listing), and to generate yield for investors resulting from a higher valuation of the already-developed enterprise.

VFF officially started its investment period after meeting all conditions precedent on 17 June 2020. Despite continued restrictions related to the ongoing COVID-19 pandemic, VFF analysed more than 250 investment opportunities during 2021 and 5 companies were provided with an investment in 2021. By the end of the year, VFF had created a robust pipeline of investment opportunities, of which several investment opportunities were in advanced stage of negotiations and are expected to be realised in the following year.

SLOVAK ASSET MANAGEMENT

Investments in 2021:

Target company:	**SEC Labs, j.s.a.**
Industry:	defence industry
Innovative product: r	emote laser detector of atmospheric chemical and biological substances
Description of activities:	development, production and distribution of unique mobile detection devices (Falcon 4G) to detect and measure chemical and biological substances and toxic industrial chemicals with high sensitivity up to 6 km without the need for physical contact.
Investment form:	venture capital financing – contribution to the company's equity
Co-investor:	CB SEC j.s.a.
Investment date:	February 2021

Investment:	**AgeVolt j. s. a.**
Industry:	electromobility
Innovative product:	smart charging stations with a digital platform
Description of activities:	development and sale of comprehensive EV charging station solutions, including energy management and a platform enabling vehicle owners to connect with operators of charging stations.
Investment form:	venture capital financing – contribution to the company's equity
Co-investor:	IPM INOBAT INVESTMENT HOLDING J.S.A.
Investment date:	June 2021

Target company:	**Perry Soft a.s. (Simplicity)**
Industry:	digital economy
Innovative product:	community communication platform
Description of activities:	development and management of a platform that facilitates communication between cities and municipalities and their residents, thus ensuring better awareness of the general public in crisis situations and under normal circumstances.
Investment form:	venture capital financing – contribution to the company's equity
Co-investor:	Finoptio, a.s.
Investment date:	August 2021

((SENSONEO))

Investment:	**SENSONEO, j.s.a.**
Industry:	Waste management
Innovative product:	smart waste management
Description of activities:	the solution combines ultrasonic sensors with smart software to display, evaluate and predict data on waste containers capacity and to plan waste collection routes.
Investment form:	convertible loan
Co-investor:	European Innovation Council Fund (EIC Fund)
Investment date:	October 2021

SLOVAK ASSET MANAGEMENT

Investments in 2021:

Target company:	**PHOTONEO, s.r.o.**
Industry:	robotics
Innovative product:	robotic vision and automation in robotics
Description of activities:	with its patented 3D camera known for its very high resolution and the highest accuracy in the world, the company provides comprehensive solutions in robotic vision and robotic intelligence.
Investment form:	convertible loan
Co-investor:	IPM GF XIX a.s
Investment date:	October 2021

6 EUROPEAN INVESTMENT ADVISORY

EUROPEAN
INVESTMENT
ADVISORY

Last year, we successfully completed a two-year cooperation with the EIAH advisory HUB, during which we successfully extended SIH's product portfolio. The main goal of this cooperation was to acquire know-how in advisory on the preparation of investment projects. The renovation of public buildings was identified as a key priority, as Slovakia is significantly lagging behind in this area. The renovation of buildings is almost exclusively dependent on non-repayable funding.
The pace of renovating public buildings is currently around 1% per year. Under Article 5 of Directive 2012/27/EU on Energy Efficiency, the Slovak Republic is committed to 3% per year. The only possible solution to improve the current state is to develop the energy services market.

During the project, we had more than 40 meetings with central and local government officials, the professional public and energy consultants. The key impediment to the development of energy services is the existing method of funding, which is made exclusively via grant financing, of which 95% is non-repayable.
During the EIAH advisory project, we prepared several methodologies which contribute to the development of energy services and decrease Slovakia's dependence on grant financing, and some of our proposals were used to prepare the Recovery and Resilience Plan.

In addition, we successfully implemented a pilot advisory project – active energy audit. The aim of this audit was to simplify the preparation and subsequent implementation of the renovation of public buildings via guaranteed energy services. Under the project, IoT meters monitoring interior temperature and energy consumption were installed in 6 secondary schools and one social services home. Individual data was shared with all relevant energy services suppliers in real time, which prepared measures to increase energy efficiency based on the data. The pilot project was implemented in cooperation with the Bratislava Self-governing Region. SIH was the first in Slovakia to prepare and document an active energy audit.

SIH plans to use its experience from the preparation of energy efficiency projects to create a new product, which will provide funding as a combination of repayable and non-repayable funding in one transaction together with assistance with project preparation.

LEGAL STATUS OF OUR COMPANIES AND THEIR STATUTORY BODIES

7

Slovak Investment Holding is registered as a manager of alternative investment funds in the register of managers kept by the National Bank of Slovakia, in accordance with Article 31b (6) of Act No. 203/2011 Coll. on Collective Investment, under No. 0005.

Company details as at 31 December 2021:

1. **Business name:** Slovak Investment Holding, a. s.
2. **Registered office:** Grösslingová 44, 811 09 Bratislava
3. **Shareholder:** Slovenská záručná a rozvojová banka, a. s. (100%)
4. **Board of Directors:**
   a) Peter Fröhlich – Chair of the Board of Directors
   b) Peter Dittrich – Vice-Chair of the Board of Directors[3]
   c) Miloš Ješko – Member of the Board of Directors
5. **Supervisory Board:**
   a) Július Jakab – Chair of the Supervisory Board
   b) Roland Štadler – Member of the Supervisory Board
   c) Rastislav Krátky – Member of the Supervisory Board

National Development Fund II. is an investment fund via which financial instruments from the European Structural and Investment Funds are implemented for the 2014-2020 programming period. Active management is undertaken by Slovak Investment Holding, a. s.

Company details as at 31 December 2021:

1. **Business name:** National Development Fund II., a.s.
2. **Registered office:** Grösslingová 44, 811 09 Bratislava
3. **Shareholder:** Slovak Investment Holding, a. s. (100%)
4. **Board of Directors:**
   a) Peter Fröhlich – Chair of the Board of Directors
   b) Peter Dittrich – Vice-Chair of the Board of Directors
   c) Miloš Ješko – Member of the Board of Directors
5. **Supervisory Board:**
   a) Martin Polónyi – Chair of the Supervisory Board
   b) Rastislav Krátky – Vice-Chair of the Supervisory Board
   c) Ivan Pešout – Member of the Supervisory Board
   d) Juraj Smatana – Member of the Supervisory Board
   e) Peter Balík – Member of the Supervisory Board
   f) Ján Oravec – Member of the Supervisory Board
   g) Boris Sloboda – Member of the Supervisory Board
   h) Jaroslav Kmeť – Member of the Supervisory Board

[3] With effect from 18 January 2022, Peter Dittrich, Vice-Chair of the Board of Directors, was re-elected to the office of Vice-Chair of the Board of Directors of Slovak Investment Holding, a. s.

National Development Fund I. is an investment company established to implement financial instruments from the EU structural funds in the Slovak Republic for the 2007-2013 programming period. The activities of National Development Fund I. are based on the JEREMIE initiative, whose main objective is to support SMEs by improving access to the financing of their development.

Company details as at 31 December 2021:

1. **Business name:** National Development Fund I., s. r. o.
2. **Registered office:** Grösslingová 44, 811 09 Bratislava
3. **Partner**: Slovak Investment Holding, a. s. (100%)
4. **Statutory representatives:**
   a) Peter Fröhlich
   b) Peter Dittrich
5. **Supervisory Board**:
   a) Martin Polónyi – Chair of the Supervisory Board
   b) Rastislav Krátky – Member of the Supervisory Board
   c) Ivan Pešout – Member of the Supervisory Board

Slovak Asset Management was established as a joint-stock company without a call for subscription of shares by the Memorandum of Association on 19 June 2017. The sole founder was Slovak Investment Holding, a.s. The company's share capital is EUR 125 000, which is divided into 125 ordinary registered shares in book-entry form. The face value is EUR 1 000 per share and the issue price at which the company issues shares is EUR 1 100. The founder paid up the company's total share capital and share premium by a one-off monetary contribution of EUR 137 500. The sole shareholder is Slovak Investment Holding, a. s. Slovak Asset Management, správ. spol., a. s. was incorporated on 21 July 2018 by registration in the Business Register of the Bratislava I District Court, Section: Sa, File No. 6818/B. On 20 June 2018, pursuant to Article 28a (1) of the Collective Investment Act, Slovak Asset Management, správ. spol., a. s. was granted a permit to establish and manage alternative investment funds by the National Bank of Slovakia.

Company details as at 31 December 2021:

1. **Business name:** Slovak Asset Management, správ. spol., a. s.
2. **Registered office:** Grösslingová 44, 811 09 Bratislava
3. **Shareholder:** Slovak Investment Holding, a. s. (100%)
4. **Board of Directors:**
   a) Peter Fröhlich – Chair of the Board of Directors
   b) Peter Dittrich – Vice-Chair of the Board of Directors
   c) MilošJeško – Member of the Board of Directors
5. **Supervisory Board:**
   a) Jozef Petrovič – Chair of the Supervisory Board
   b) Roland Štadler – Member of the Supervisory Board

LEGAL STATUS OF OUR COMPANIES AND THEIR STATUTORY BODIES

Venture to Future Fund was established as a joint-stock company by a Memorandum of Association on 18 April 2019 by the sole founder, Slovak Asset Management, správ. spol., a. s. ("**SAM**"). Venture to Future Fund, a.s. was incorporated on 7 May 2019 by registration in the Business Register of the Bratislava I District Court, Section: Sa, File No. 6938/B. On 20 December 2019, Slovak Asset Management, správ. spol., a.s., National Development Fund I., s.r.o., Slovak Investment Holding, a.s., Venture to Future Fund, a.s. and the European Investment Bank ("**EIB**") concluded the Investment Fund Agreement (hereinafter the "**IFA Agreement**"). Pursuant to the IFA Agreement, the investors SAM, NDF I., SIH and the EIB agreed on a joint procedure whereby these investors will become company shareholders. For this purpose, VFF's share capital was increased to EUR 40 400 on 2 June 2020. The new issued shares were subscribed by the EIB, which acquired 10 shares (with a face value of EUR 1 000 per share), and SAM, which acquired 4 shares issued by VFF (with a face value of EUR 100 per share).

Company details as at 31 December 2021:

1. **Business name:** Venture to Future Fund, a.s.
2. **Registered office:** Grösslingová 44, 811 09 Bratislava
3. **Shareholders:**
   Slovak Asset Management, správ. spol., a. s. (0.99%)
   Slovak Investment Holding, a. s. (61.88%)
   National Development Fund I., s. r. o. (12.38%)
   Európska Investičná banka (24.75%)
4. **Board of Directors:**
   a) Matej Říha – Chair of the Board of Directors
   b) Martin Banský – Vice-Chair of the Board of Directors
   c) Miriama Kováčová – Member of the Board of Directors
5. **Supervisory Board:**
   a) Jozef Petrovič – Chair of the Supervisory Board
   b) Roland Štadler – Vice-Chair of the Supervisory Board
   c) Vladimír Vaňo – Member of the Supervisory Board

8 OTHER INFORMATION

A. Proposal for the Distribution of Profit or Settlement of Loss.
Profit/loss after tax for 2021 represents a profit of EUR 4 096 802. We propose that the General Meeting adopt a resolution to use a part of the accounting profit to distribute a dividend, pay royalties and retain the balance as Retained earnings from previous years.

B. Information About R&D Expenses
No R&D expenses were incurred.

C. Information on Organisational Unit Abroad
The Company has no organisational unit abroad.

D. Information on the Acquisition of Treasury Shares, Interim Certificates, Ownership Interests, and Parent Company's Shares, Interim Certificates and Ownership Interests Pursuant to Article 22,
The Company does not acquire treasury shares, interim certificates and ownership interests, and the parent company's shares, or interim certificates and ownership interests pursuant to Article 22.

E. Information on Significant Risks and Uncertainties to Which the Company is Exposed
The Company is exposed to and manages several types of risk, namely: market risk, credit risk, exchange rate risk, liquidity risk, interest rate risk and operational risk. The Board of Directors has responsibility for overall risk management. In addition to legal regulations, the Company's internal regulations are used to eliminate risks, primarily the Risk Management Strategy of Slovak Investment Holding, a.s. and the Internal Control System Directive.

F. Information on Significant Events that Occurred After the Reporting Period for Which the Annual Report Was Prepared.
The war in Ukraine and the sanctions imposed on the Russian Federation may have an economic impact on Slovakia, European economies and economies of other countries. The Company does not have direct exposures to Ukraine, Russia or Belarus, but the impacts of the current economic situation may require reassessments of certain assumptions and estimates used in the preparation of the financial statements. This may cause significant adjustments to the carrying amounts of assets and liabilities in the next financial year, especially the amounts of financial investments. At this stage, it is impossible to make a reliable estimate of their impact, as events are developing dynamically every day.
The Company is closely monitoring the possible impacts of the current situation on the Company's credit risk and on its investments in start-ups made via the fund under its management, which are generally considered to be high-risk investments. Company management also considered the concentration risk resulting from the concentration of these investments in particular economic sectors (most investments are in the IT and technological research sectors).

OTHER INFORMATION

The longer-term impact may also affect volumes of business transactions, cash flows and Company profitability. At the preparation date of this annual report, the Company continues to meet its liabilities and expects to continue to apply the going concern basis of preparation when preparing its financial statements and annual report.

From 31 December 2021 up to the preparation date of the financial statements, there were no events that would have a significant impact on the Company's assets and liabilities, except for those referred to above and those resulting from the ordinary course of business operations.

G. Expected Future Development of the Company's Activities

Slovak Investment Holding plans to continue its activities with regard to the management of financial instruments from the 2007-2013 programming period via National Development Fund I., s.r.o. (NDF I.), management of financial instruments in the 2014-2020 programming period via National Development Fund II., a.s. (NDF II.) and investment advisory under the European Investment Advisory (EIA). The fourth pillar of activities is support for the management of alternative investment funds via Slovak Asset Management, a.s. (SAM).

9 ANNEXES

Annex 1: Financial Statements for 2021

Slovak Investment Holding, a. s.

Financial Statements
for the year ended 31 December 2021

prepared in accordance with International Financial Reporting Standards as adopted by the EU and the Independent Auditor's Report

February 2022

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

Tel: +421 2 582 49 111
deloitteSK@deloitteCE.com
www.deloitte.sk

Registered in the Business
Register of the District Court Bratislava I
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

Slovak Investment Holding, a. s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of Slovak Investment Holding, a. s.:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Slovak Investment Holding, a. s. (the "Company"), which comprise the separate statement of financial position as at 31 December 2021, and the separate statement of profit and loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted in the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 International Standards on Auditing 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 financial statements.

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 management.
- Conclude on the appropriateness of management'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 auditor's report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

As at the issuance date of the auditor's report on the audit of financial statements, the annual report was not available to us.

When we obtain the annual report, we will assess whether the Company's annual report includes information whose disclosure is required under the Act on Accounting, and based on procedures performed during the audit of the financial statements, we will express an opinion on whether:

- Information disclosed in the annual report prepared for 2021 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, we will disclose whether material misstatements were identified in the annual report based on our understanding of the Company and its position, obtained in the audit of the financial statements.

Bratislava, 10 February 2022

Ing. Zuzana Letková, FCCA
Responsible Auditor
Licence SKAu No. 865

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

Slovak Investment Holding, a.s.
Separate Statement of Financial Position as at 31 December 2021

Assets	Notes	2021 EUR'000	2020 EUR'000
Cash and cash equivalents	6	23 444	29 239
Property, plant and equipment	7	50	88
Deferred tax asset	8	91	77
Current tax asset		-	-
Investments	9	369	369
Other assets	10	1 682	987
Total assets		25 636	30 760
Liabilities			
Trade payables		74	63
Current tax liability		419	65
Provisions for liabilities	11	0	0
Other liabilities	12	14 476	23 563
Total liabilities		14 969	23 691
Equity			
Share capital	13	300	300
Legal reserve fund	14	60	60
Other capital funds	14	1 500	1 500
Retained earnings/accumulated losses	14	4 710	2 652
Profit for the reporting period		4 097	2 557
Total equity		10 667	7 069
		25 636	30 760

Off-balance sheet items:

Entrusted funds for investment	23	718 811	487 923
Assets under management (from the above entrusted funds)	23	718 811	487 923

The financial statements, including the notes on pages 10 to 38, were approved on 10 February 2022:

....
Ing. Peter Fröhlich
Chairman of the Board of Directors

....
Ing. Miloš Ješko
Member of the Board of Directors

....
Ing. Martin Nemčík
Person responsible for the preparation of financial statements

....
Mgr. Martina Liptáková
Person responsible for book-keeping

This is an English language translation of the original Slovak language document.

Slovak Investment Holding, a.s.
Separate Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2021

	Notes	2021 EUR'000	2020 EUR'000
Net fee and commission income	15	7 675	5 674
Net interest income		1	-
Net foreign exchange gains/(losses)		-	-
Net other income	16	192	65
Operating income		7 868	5 739
Personnel expenses	17	(1 975)	(1 738)
Depreciation and amortisation	7	(38)	(39)
General administrative expenses	18	(666)	(710)
Operating expenses		(2 679)	(2 487)
Profit/loss before taxation		5 189	3 252
Income tax expense	19	(1 092)	(695)
Profit/(loss) after taxation		4 097	2 557
Other comprehensive income		-	-
Total comprehensive income for the period		4 097	2 557
Basic loss/earnings per share (EUR)	13	13 657	8 524

The notes on pages 10 to 38 are an integral part of these financial statements.

Slovak Investment Holding, a.s.
Separate Statement of Changes in Equity as at 31 December 2021

	Share Capital EUR'000	Legal Reserve Fund EUR'000	Other Capital Funds EUR'000	Retained Earnings EUR'000	Profit for the Reporting Period EUR'000	Total EUR'000
At 1 January 2021	300	60	1 500	5 210	-	7 070
Total comprehensive income for the year	-	-	-	-	-	-
Profit for 2021	-	-	-	-	4 097	4 097
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for 2021	-	-	-	-	-	-
Transactions with owners recognised directly in equity						
Contribution to the legal reserve fund	-	-	-	-	-	-
Payment of 2021 dividends				-450		-450
Payment of royalties				-50	-	-50
Total transactions with owners	-	-	-	-	-	-
At 31 December 2021	300	60	1 500	4 710	4 097	10 667

The notes on pages 10 to 38 are an integral part of these financial statements.

Slovak Investment Holding, a.s.
Separate Statement of Changes in Equity as at 31 December 2021

	Share Capital EUR'000	Legal Reserve Fund EUR'000	Other Capital Funds EUR'000	Retained Earnings EUR'000	Profit for the Reporting Period EUR'000	Total EUR'000
At 1 January 2020	300	60	1 500	3 703	-	5 563
Total comprehensive income for the year	-	-	-	-	-	-
Profit for 2020	-	-	-	-	2 557	2 557
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for 2020	-	-	-	-	-	-
Transactions with owners recognised directly in equity						
Contribution to the legal reserve fund	-	-	-	-	-	-
Payment of 2020 dividends				-1 000		-1 000
Payment of royalties				-50	-	-50
Total transactions with owners	-	-	-	-	-	-
At 31 December 2020	300	60	1 500	2 653	2 557	7 070

The notes on pages 10 to 38 are an integral part of these financial statements.

Slovak Investment Holding, a.s.
Separate Statement of Cash Flows for the Year Ended 31 December 2021

	Note	2021 EUR'000	2020 EUR'000
Cash flows from operating activities			
Profit/loss before taxation		5 189	3 252
Increase in trade and other payables		315	2 280
Increase in receivables and other assets		(695)	(623)
Depreciation and amortisation	7	38	39
Income tax paid		(752)	(933)
Net cash flows from operating activities		4 095	4 015
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		-	(4)
Proceeds from the sale of property, plant and equipment			
Entrusted funds received from the Ministry of Finance of the SR		-	12 500
Entrusted funds invested in VFF		(4 913)	(352)
Entrusted funds received from governing bodies		298 191	125 559
Entrusted funds invested in National Development Fund II		(302 668)	(123 206)
Investments in subsidiaries		-	(136)
Net cash flows used for investing activities		(9 391)	14 361
Cash flows from financing activities			
Contribution to equity			-
Dividends paid to the shareholders		(450)	(1 000)
Royalties		(50)	(50)
Repayment/drawdown of a loan			-
Net cash flows from financing activities		(500)	(1 050)
Net changes in cash and cash equivalents		(5 795)	17 326
Cash and cash equivalents at the beginning of the year	6	29 239	11 913
Cash and cash equivalents at the end of the year	6	23 444	29 239

The Statement of Cash Flows was prepared using the indirect method.

The notes on pages 10 to 38 are an integral part of these financial statements.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2021

1. General Information

Slovak Investment Holding, a. s. (the "Company") was established in the Slovak Republic by the Memorandum of Association dated 7 April 2014 and recorded in the Business Register of the Bratislava I District Court, Section: Sa, Insertion No.: 5949/B, on 1 May 2014.

The Company ID (IČO) and tax ID (DIČ) are as follows:

Company ID: 47 759 097
Tax ID: 2024091784

The Company has been registered as a VAT payer.
The Company's registered office is: Grösslingová 44, 811 09 Bratislava.
The shareholder structure as at 31 December 2021 and 31 December 2020 was as follows:

	Voting Right in %	Share in the Share Capital in %
Slovenská záručná a rozvojová banka, a.s.	100%	100%
Total	100%	100%

The Ministry of Finance of the Slovak Republic is the ultimate owner of the entire group.
The registered office of the Ministry of Finance of the Slovak Republic is at Štefanovičova 2968/5, 811 04 Bratislava.

The Company's financial statements are included in the consolidated financial statements of Slovenská záručná a rozvojová banka, a.s. that is a direct parent company recorded in the Business Register of the Bratislava I District Court, Section: Sa, File No.: 3010/B, with its registered office at Štefánikova 27, 814 99 Bratislava, and are available at its registered office.

The Board of Directors consists of the following persons:

Ing. Peter Fröhlich – Chairman of the Board of Directors (since 1 July 2021)
Ing. Peter Dittrich, PhD – Vice-Chairman of the Board of Directors (since 17 January 2017)
Ing. MilošJeško – Member of the Board of Directors (since 15 March 2021)

The Supervisory Board consists of the following persons:
Ing. Július Jakab – Chairman of the Supervisory Board (since 16 December 2020)
Rastislav Krátky – Member of the Supervisory Board (since 16 December 2020)
Ing. Roland Štadler – Member of the Supervisory Board (since 4 March 2021)

The Company's financial statements for the preceding reporting period ended 31 December 2020 were approved by the General Meeting on 12 May 2021.

Business Activities

The Company's core business activities are the management of assets primarily entrusted by the state in separate companies. On 21 April 2021, the Company requested that the National Bank of Slovakia cancel the Company's registration as an alternative investment fund manager registered in the Register of Asset Management Companies maintained by the National Bank of Slovakia under Articles 31a) and 31b) of the Collective Investment Act. The National Bank of Slovakia granted the request and deregistered the Company from the Register of Alternative Investment Fund Managers.

The Company holds an ownership interest (99.99643%) in National Development Fund I., s. r. o. (until 23 July 2018: Slovenský záručný a rozvojový fond, s.r.o.), shares (99.9916%) in National Development Fund II., a.s. (until 23 July 2018: Slovak Investment Holding, a.s.), and shares (61.88%) in Venture to Future Fund, a.s. in its own name to the account of the Slovak Republic represented by individual ministries. The Company does not prepare consolidated financial statements, as it has no control over these companies. Control over the managed assets is undertaken by individual ministries. The managed assets are included in the consolidation of the above organisations. The amount of assets under management is recognised in off-balance sheet accounts.

The Company is not an unlimited liability partner in other reporting entities.

On 5 May 2015, the Company signed a Fund Management Agreement with National Development Fund II (at that time: Slovak Investment Holding, a.s.) under which the Company manages the fund and receives compensation for it as agreed in Funding Contracts and Investor Contracts.

A Holding Fund Agreement was signed on 1 January 2016 with National Development Fund I (at that time: Slovenský záručný a rozvojový fond, s.r.o.). Under the agreement, the Company became the manager of the JEREMIE holding fund.

The Agreement on Financing of the Central Europe Fund of Funds was signed with the Ministry of Finance of the SR ("MF SR") on 11 August 2017. Under this agreement, the Company represents the MF SR in the Central Europe Fund of Funds.

On 19 December 2018, the Agreement on Financing of Venture to Future Fund was signed with the Ministry of Finance of the SR ("MF SR"). Under this agreement, the Company represents the MF SR in Venture to Future Fund.

The Company holds a 100% ownership interest in Slovak Asset Management, správ. spol., a. s. in its own name and to its own account.

The Company holds a 0.00357% ownership interest in National Development Fund I., s. r. o. (until 23 July 2018: Slovenský záručný a rozvojový fond, s.r.o.) in its own name and to its own account.

The Company holds a 0.0084% ownership interest in National Development Fund II., a.s. (until 23 July 2018: Slovak Investment Holding, a.s.) in its own name and to its own account.

Slovak Investment Holding, a. s. does not prepare consolidated financial statements, as it has no control over National Development Fund I., s. r. o., and National Development Fund II., a.s., and as regards Slovak Asset Management, správ. spol., a. s., it does not meet the size criteria under Article 22 (10) of Act No. 431/2002 Coll. on Accounting, as amended. Detailed information is provided in Note 23 Off-balance Sheet Items.

2. Basis of Preparation for the Financial Statements

(a) Statement of Compliance

The annual separate financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The financial statements were prepared under Article 17 (a) of Act No. 431/2002 on Accounting, as amended. The financial statements were prepared under the going-concern assumption.

The financial statements are intended for general use and information and they are not intended for the purposes of any specific user or consideration of any specific transactions. Accordingly, users should not rely exclusively on these financial statements when making decisions.

(b) Basis of Measurement

The financial statements were prepared under the historical cost convention.

(c) Functional and Presentation Currency

The financial statements were prepared in euro, which is the Company's functional currency.

Figures presented in euro were stated in thousands and rounded, unless stipulated otherwise.

(d) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting principles and accounting methods and the reported amounts of assets, liabilities, revenues and expenses. The actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments to accounting estimates are recognised in the period in which the estimate is adjusted and in any future periods affected.

3. Significant Accounting Principles and Accounting Methods

Information on significant areas of estimation uncertainty and critical judgements in applied accounting principles and accounting methods that have the most significant impact on the amounts recognised in the financial statements is provided in Notes 3 and 4.

(a) Foreign Currency

Transactions denominated in foreign currencies are translated to euro using the exchange rate valid on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated using exchange rates valid as at the reporting date.

(b) Fees and Commissions

Fee income and expenses, including the fees for the management of assets under the valid fund statutes, are presented when the entitlement to such fees arises under the statute, in the relevant reporting period to which they relate.

(c) Interest Income and Interest Expense

Interest income and interest expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts during the expected useful life of a financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established upon the initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all paid fees paid and basis points, or received transaction costs and discounts, or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense on assets and liabilities at fair value through profit or loss are recognised in *Interest income and expense,* and changes in fair values are presented in *Net profit from financial transactions.*

Interest income and expense on trading assets and liabilities are considered occasional in business transactions and are recognised in net profit from financial transactions along with all other changes in fair values of trading assets and liabilities.

(d) Dividends

Dividend income is recognised when the right to receive income arises. Usually, this is the date following the approval of dividend payments in connection with equity securities.

(e) Lease Payments

Payments made under an operating lease are recognised in profit or loss on a straight-line basis over the term of the lease agreement.

(f) Income Tax

Income tax includes current and deferred tax. Income tax is recognised in profit or loss, except for items recognised directly in equity or other comprehensive income.

Current tax is an expected tax liability based on taxable income for the year, calculated using the valid tax rate as at the reporting date and adjusted for the amounts related to previous periods.

Deferred tax is calculated using the balance sheet method in which temporary differences arise between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for tax purposes. Deferred tax is calculated using the tax rates expected to be applied to temporary differences when they are reversed under legislation valid or subsequently enacted on the reporting date.

A deferred tax asset is only recognised to the extent to which future taxable profits are likely to be generated against which the asset can be utilised. Deferred tax assets are reviewed as at the reporting date and are decreased to the extent for which it is no longer probable that the related tax benefit will be realised.

(g) Investments in Subsidiaries

Investments in subsidiaries represent the Company's investments in entities with an investment exceeding 50% of the registered capital of such entities and/or with more than 50% of the voting rights in such entities. Investments in subsidiaries are recognised at cost less provisions.

Impairment losses are recognised in the statement of comprehensive income line "Gains/(losses) on financial assets, net". The provision amount is calculated as the difference between the value of the bank's investment and the amount of a subsidiary's equity net of the investment's realisable value.

Dividend income is recognised in the statement of comprehensive income line "Gains/(losses) on financial assets, net" at the moment the Company becomes entitled to the receipt of dividends.

(h) Financial Assets and Liabilities

(i) Date of Initial Recognition
The purchase or sale of financial assets resulting in an asset and financial settlement within the timeframe specified by a general regulation, or in a timeframe usual to the market, are recognised as at the date of the financial settlement date of a transaction, except for securities, which are recognised at the transaction date.

(ii) Classification and Measurement of Financial Assets under IFRS 9

IFRS 9 introduces three categories for the classification of debt instruments depending on whether they are subsequently measured at amortised cost (AC), at fair value through other comprehensive income (FVOCI), or at fair value through profit or loss (FVTPL).
The classification of debt instruments under IFRS 9 is based on the business model used by the reporting entity to manage its financial assets and on whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). The business model expresses how a reporting entity manages its financial assets to generate cash flows and create value. Therefore, its business model determines whether cash flows will flow from the collection of contractual cash flows, from the sale of financial assets, or from both. If a debt instrument is held to collect contractual cash flows, it may be classified in the AC category if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement, which are held in a reporting entity's portfolio of financial assets to collect cash flows and sell financial assets, may be classified as FVOCI. Financial assets that do not generate cash flows meeting the SPPI requirement must be measured at FVTPL (eg financial derivatives).

(iii) Classification and Measurement of Financial Assets under IFRS 9 to Document the Company's Business Model

The Company's mission, as a registered alternative investment fund manager, is to establish and manage alternative investment funds and foreign alternative investment funds.

The Company has developed a long-term development strategy, and prepares and assesses its business plan, and financial budget on a regular basis. These documents are prepared and assessed based on priorities and responsibilities related to the management of financial instruments for the support of the businesses environment and the overall economic situation on the market and the state economic policy plans are also taken into consideration.

To document its business model under IFRS 9 (business model of individual portfolios), the Company performed the following activities:

A: The classification of financial assets – individual identified portfolios of the Bank under IAS 39 as a basis for the classification of financial assets under IFRS 9.

3. Significant Accounting Principles and Accounting Methods (Continued)

(iv) Classification of Financial Assets (by Contract Type) for the Purposes of the SPPI Test Under IFRS 9

The Company does not invest in financial assets that meet the definition of debt instruments (loan receivables and securities).

(v) Financial Investments Measured at Amortised Cost ("AC")

Held-to-maturity financial investments are financial investments that generate pre-determined or pre-identifiable payments, have a fixed maturity, and the Company plans and has the ability to hold them to maturity.
After initial recognition, the securities are measured at amortised cost using the effective interest rate method, net of the provision for impairment. The amortised cost is calculated taking into account acquisition cost discounts, bonuses and charges that form an integral part of the effective interest rate. Amortisation is recognised under "Interest income" in the statement of comprehensive income. Impairment losses on such investments are recognised under "Provisions" in the statement of comprehensive income.

(vi) Due from Banks and Loans and Advances to Customers

"Due from banks" and "Loans and advances to customers" are financial assets with pre-determined or determinable payments and fixed maturities which are not quoted in an active market. The Company did not enter into such transactions aimed for immediate or short-term subsequent sale. Subsequent to the initial recognition, amounts due from banks and loans and advances to customers are measured at amortised cost using the effective interest method, net of impairment provisions. The amortisation is included in "Interest income" in the statement of comprehensive income. Any impairment losses on such investments are recognised as "Provisions" in the statement of comprehensive income.

(vii) Financial Investments Measured at Fair Value Through Other Comprehensive Income

This category includes all investments classified to this portfolio at the initial recognition. This portfolio also includes financial investments that do not qualify for the classification as: securities at amortised cost or due from banks or loans and advances to customers. They include equity instruments, investments in mutual funds and on money markets and other debt instruments.

Upon the initial recognition, securities at FVOCI are measured at fair value. Unrealised gains and losses are recognised in other comprehensive income, and their accumulated amount is recognised as revaluation reserve in equity. When the financial asset is sold, the cumulative gain or loss previously recognised in equity is reclassified from other comprehensive income to profit or loss and are recognised separately if material or in "Other income" or "General administrative expenses" if immaterial. Where the Bank holds more than one unit of the same financial asset, it is expected when accounting for the disposal of such investments that they are sold on a FIFO (first-in first-out) basis. Interest income from holding the securities at fair value through other comprehensive income is reported as interest income in the statement of comprehensive income line "Interest income" using the effective interest method. Dividend income from holding financial investments is recognised as "Other income" in the statement of comprehensive income at the moment the right to receive the payment originates and the payment of dividends is probable. Any impairment losses on such investments are recognised as "Provisions" in the statement of comprehensive income, and are reclassified from other comprehensive income and decrease the financial investments revaluation reserve recognised in equity.

In the reporting period under review, the Company does not recognise any purchased or originated credit-impaired financial assets (hereinafter "POCI") in its portfolio.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprises cash, unrestricted balances held on accounts and highly liquid financial assets with original maturities of less than three months which are subject to insignificant risk of changes in their fair value and are used by the Company in the management of short-term commitments.

Cash and cash equivalents are carried at face value in the statement of financial position.

3. Significant Accounting Principles and Accounting Methods (Continued)

(k) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term.
Receivables are initially measured at fair value together with transaction costs and subsequently at amortised cost using the effective interest method.

(l) Property, Plant and Equipment

(i) Recognition and Measurement
Components of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes costs directly attributable to the acquisition of the asset. Purchased software that is an integral part of the value-in-use of the related asset is recognised as part of that asset.

When parts of an item of assets have different useful lives, they are recognised as major components of the assets.

(ii) Subsequent Costs
The costs of replacing an item of property, plant and equipment are recognised at the carrying amount of the item if it is probable that the future economic benefits associated with the item will arise to the Company and the costs can be reliably measured. The costs of the routine maintenance of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation
Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment and intangible assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful life of equipment for the current and preceding reporting periods is four years.

Depreciation methods, useful lives and net book values are reassessed as at the reporting date.

(m) Impairment of Non-Financial Assets

The carrying amounts of the Company's non-financial assets other than deferred tax assets are reviewed as at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets or groups of assets.

Impairment losses are recognised directly in profit or loss. Impairment losses recognised in respect of cash-generating units are first recognised as the impairment of the carrying amount of goodwill attributable to such units and then as the impairment of the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

The recoverable amount of an asset or cash-generating unit is the higher of its net selling price and the value-in-use. In assessing the value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed as at the reporting date for any indications that the loss has decreased or no longer exists.

3. Significant Accounting Principles and Accounting Methods (Continued)

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would be determined, net of depreciation or amortisation, if no impairment loss was recognised.

(n) Provisions for Liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured and recognised at an estimated amount payable.

(o) Financial Liabilities

A financial liability is derecognised when the obligation to settle the liability is fulfilled or cancelled or terminated. Where the present financial liability replaces another liability from the same lender under significantly different conditions or the conditions of an existing financial liability significantly change, the original liability is first derecognised, and subsequently, a new liability is recognised and the difference in the respective carrying amounts is recognised through profit or loss.

(p) Employee Benefits

The Company provided its employees with other in-kind benefits besides salaries and bonuses. Salaries, bonuses and other employee benefits are expensed as the related service is provided.

(q) Recognition of Entrusted Funds for Investments and Assets Under the Company's Management

The Company as the legal shareholder acts in the capacity of a financial asset manager. The Company holds the shares or ownership interests in companies in its own name to the account of the Slovak Republic represented by ministries. Such invested entrusted funds are recorded in the off-balance sheet.

Entrusted funds received from governing bodies, which were not invested until the reporting date, are recognised as Other liabilities (Note 12). The amounts are stated at their net book values.

(r) Standards and Interpretations Effective in the Current Period

The Company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that have been endorsed for use in the European Union (hereinafter the "EU"), and that are relevant to its operations and effective for annual periods beginning on 1 January 2019. The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

Initial application of new amendments to the existing standards effective for the current reporting period

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases"** – Interest Rate Benchmark Reform – Phase 2 adopted by the EU on 13 January 2021 (effective for annual periods beginning on or after 1 January 2021),

- **Amendments to IFRS 16 "Leases"** – Covid-19-Related Rent Concessions beyond 30 June 2021 adopted by the EU on 30 August 2021 (effective from 1 April 2021 for annual periods starting, at the latest, on or after 1 January 2021),

- **Amendments to IFRS 4 "Insurance Contracts"** – Extension of the Temporary Exemption from Applying IFRS 9 adopted by the EU on 16 December 2020 (the expiry date for the temporary exemption from IFRS 9 was extended from 1 January 2021 to annual periods beginning on or after 1 January 2023).

The adoption of the amendments to the existing standards has not led to any material changes in the Company's financial statements.

Standards and amendments to the existing standards issued by the IASB and adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the following amendments to the existing standards were issued by the IASB and adopted by the EU and are not yet effective:

- **Amendments to IAS 16 "Property, Plant and Equipment"** – Proceeds before Intended Use adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),

- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** – Onerous Contracts – Cost of Fulfilling a Contract adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),

- **Amendments to IFRS 3 "Business Combinations"** – Reference to the Conceptual Framework with amendments to IFRS 3 adopted by the EU on 28 June 2021 (effective for annual periods beginning on or after 1 January 2022),

- **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),

- **Amendments to various standards due to "Annual Improvements to IFRS Standards (2018 – 2020 Cycle)"** resulting from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording – adopted by the EU on 28 June 2021 (The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after 1 January 2022. The amendments to IFRS 16 only relate to an illustrative example, so no effective date is stated.).

New standards and amendments to the existing standards issued by the IASB but not yet adopted by the EU

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the IASB, except for the following new standards and amendments to the existing standards, which were not endorsed for use in the EU as at 10 February 2022 (the effective dates stated below are for IFRS as issued by the IASB):

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016) – the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,

- **Amendments to IAS 1 "Presentation of Financial Statements"** – Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 1 "Presentation of Financial Statements"** – Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** – Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023),

- **Amendments to IAS 12 "Income Taxes"** – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2023),

- **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 and other amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),

- **Amendments to IFRS 17 "Insurance Contracts"** – Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023).

The Company anticipates that the adoption of these new standards and amendments to the existing standards will have no material impact on the Company's financial statements in the period of initial application.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated.

According to the Company's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities under **IAS 39: "Financial Instruments: Recognition and Measurement"** would not significantly impact the financial statements if applied as at the reporting date.

- **IFRS 14 "Regulatory Deferral Accounts"** issued by the IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

- **IFRS 17 "Insurance Contracts"** issued by the IASB on 18 May 2017. The new standard requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 "Insurance Contracts" and related interpretations while it is applied. Amendments to IFRS 17 "Insurance Contracts" issued by the IASB on 25 June 2020 defer the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. Additionally, the amendments introduce simplifications and clarifications of some requirements in the Standard and provide additional reliefs when applying IFRS 17 for the first time.

- **Amendments to IFRS 3 "Business Combinations"** – Reference to the Conceptual Framework with amendments to IFRS 3 issued by the IASB on 14 May 2020. The amendments: (a) update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; (b) add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and (c) add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

- **Amendments to IFRS 4 "Insurance Contracts"** – Extension of the Temporary Exemption from Applying IFRS 9 issued by the IASB on 25 June 2020. The amendments change the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so entities will be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

- **Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases"** – Interest Rate Benchmark Reform – Phase 2 issued by the IASB on 27 August 2020.
  The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting:
  a) **Modification of financial assets, financial liabilities and lease liabilities –** the IASB has introduced a practical expedient for modifications required by the reform (modifications required as a direct consequence of the IBOR reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other modifications are accounted for using current IFRS requirements. A similar practical expedient is proposed for lessee accounting applying IFRS 16.

b) **Hedge accounting requirements –** under the amendments, hedge accounting is not discontinued solely due to the IBOR reform. Hedging relationships (and related documentation) must be amended to reflect modifications to the hedged item, hedging instrument and hedged risk. Amended hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements.

c) **Disclosures –** in order to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages these risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition, the amendments require that an entity disclose information about:
   - How the transition from interest rate benchmarks to alternative benchmark rates is managed, the progress made at the reporting date, and the risks arising from the transition;
   - Quantitative information on non-derivative financial assets, non-derivative financial liabilities and derivatives that continue to reference interest rate benchmarks subject to the reform, disaggregated by significant interest rate benchmark;
   - If the IBOR reform results in changes to an entity's risk management strategy, a description of these changes and how the entity is managing these risks.

d) The IASB also amended IFRS 4 to require insurers that apply the temporary exemption from IFRS 9 to apply the amendments when accounting for modifications directly required by the IBOR reform.

- **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 issued by the IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that, in a transaction involving an associate or joint venture, the extent of the gain or loss recognition depends on whether the assets sold or contributed constitute a business.

- **Amendments to IFRS 16 "Leases"** – Covid-19-Related Rent Concessions issued by the IASB on 28 May 2020. The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Covid-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. This applies to Covid-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

- **Amendments to IFRS 16 "Leases"** – Covid-19-Related Rent Concessions beyond 30 June 2021 issued by the IASB on 31 March 2021. The amendments extend by one year the application period of the practical expedient in IFRS 16. The relief was extended by one year to cover rent concessions that only reduce lease payments due on or before 30 June 2022.

- **Amendments to IFRS 17 "Insurance Contracts"** – Initial Application of IFRS 17 and IFRS 9 – Comparative Information issued by the IASB on 9 December 2021. This is a narrow-scope amendment to the transition requirements of IFRS 17 for entities that first apply IFRS 17 and IFRS 9 at the same time.

- **Amendments to IAS 1 "Presentation of Financial Statements"** – Classification of Liabilities as Current or Non-current issued by the IASB on 23 January 2020. The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments to IAS 1 issued by the IASB on 15 July 2020 defer the effective date by one year to annual periods beginning on or after 1 January 2023.

- **Amendments to IAS 1 "Presentation of Financial Statements"** – Disclosure of Accounting Policies issued by the IASB on 12 February 2021. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance and examples to help preparers when deciding which accounting policies to disclose in their financial statements.

- **Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"** – Definition of Accounting Estimates issued by the IASB on 12 February 2021. The amendments focus on accounting estimates and provide guidance on how to distinguish between accounting policies and accounting estimates.

- **Amendments to IAS 12 "Income Taxes"** – Deferred Tax related to Assets and Liabilities arising from a Single Transaction issued by the IASB on 6 May 2021. According to the amendments, the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.

- **Amendments to IAS 16 "Property, Plant and Equipment"** – Proceeds before Intended Use issued by the IASB on 14 May 2020. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing these items, in profit or loss.

- **Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** – Onerous Contracts – Cost of Fulfilling a Contract issued by the IASB on 14 May 2020. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract are either the incremental costs of fulfilling that contract, or an allocation of other costs that relate directly to fulfilling contracts.

- **Amendments to various standards due to "Annual Improvements to IFRS Standards (2018 – 2020 Cycle)"** issued by the IASB on 14 May 2020. Amendments to various standards resulting from the annual improvement project of IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) primarily with a view to removing inconsistencies and clarifying wording. The amendments: (a) clarify that a subsidiary which applies paragraph D16(a) of IFRS 1 is permitted to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs (IFRS 1); (b) clarify which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 when assessing whether to derecognise a financial liability. An entity only includes fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf (IFRS 9); (c) remove from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that could arise due to how lease incentives are illustrated in this example (Illustrative Example 13 accompanying IFRS 16); and (d) remove the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique (IAS 41).

4. Use of Estimates and Judgements

The following assertions supplement the comments on financial risk management.

Key Sources of Estimation Uncertainty

Assets recognised at amortised cost are assessed for impairment based on the accounting policies described in Note 3.

Provisions for the Impairment of Receivables
The Company management assesses receivables individually for impairment based on a best estimate of the present value of the cash flows that are expected to be received by the Company. In estimating these cash flows, management makes judgements about the counterparty's financial situation and the net realisable value of any underlying collateral.

Financial Asset and Liability Classification

The Company's accounting principles and accounting methods provide a framework for recognising assets and liabilities at their inception in different accounting categories under certain circumstances:

- In classifying financial assets or liabilities as "at fair value through profit or loss", management decides whether the Company meets the description of assets and liabilities in accounting principles and accounting methods in Note 3 (h).
- In classifying financial assets as "held-to-maturity", management decides whether the Company has an intention and ability to hold the assets to their maturity as required by accounting principles and accounting methods in Note 3 (h).

Determination of Fair Values

Receivables and Other Receivables
Fair values of receivables and other receivables are estimated as the present value of future cash flows discounted by the market rate valid as at the reporting date.

Assets and Liabilities for Trading and Investments

Fair values of trading assets and investments are determined as the market price on an active market or using valuation models with input data observable on the market.

The Company uses the following method hierarchies to determine and disclose the fair values of financial instruments:

Level 1: A quoted market price on an active market for identical financial instruments.

Level 2: Valuation techniques based on directly or indirectly observable market inputs. This category includes quoted market prices for similar financial instruments on active or less active markets, or other valuation techniques for which all relevant inputs can be obtained from the data available on the market.

Level 3: Valuation techniques based on unobservable inputs to a large extent. This category includes all financial instruments whose valuation techniques are not based on observable inputs, and the unobservable market inputs have a significant impact on the instrument's valuation. This category also includes financial instruments valued using the market price of similar financial instruments requiring the reflection of the unobservable impact.

5. Financial Risk Management

Risk Management
The Company is exposed to and manages certain types of risk, ie market risk, credit risk, exchange rate risk, liquidity risk, interest rate risk and operational risk.

The Board of Directors takes the responsibility for overall risk management. In addition to legal regulations, Company internal regulations are used to eliminate risks, primarily the guidelines Risk Management Strategy of Slovak Investment Holding, a.s. and the Internal Control System.

Regulatory Requirements
The Company voluntarily complies with the regulatory requirements of the National Bank of Slovakia. These include limits and restrictions relating to the adequacy of own funds. These requirements apply to all asset management companies in Slovakia.

A summary of the requirements is given below:

- The management company's share capital is at least EUR 125 000.

- The management company is obliged to comply with the adequacy of own funds. The management company's own funds are adequate under the Act, if they are not lower than:
  a) EUR 125 000 plus 0.02% of the value of assets in the unit trusts or the European funds managed by the management company exceeding EUR 250 000 000; this amount is not further increased if it reaches EUR 10 000 000.

  b) One fourth of the management company's average general operating expenses for the previous calendar year; if the management company was founded less than one year ago, 25% of the amount of the general operating expenses disclosed in the management company's business plan.

  c) The management company must not acquire for assets in standard unit trusts managed by the management company or for assets, where the management company acts in association with any unit trusts managed by the management company, more than 10% of the total face values of shares with the voting rights issued by one issuer.

  d) The management company acting in association with standard unit trusts managed by the management company must not acquire as assets in standard unit trusts any shares with a voting right which would enable the management company to exercise a significant influence over the management of an issuer who is based in the Slovak Republic or in a non-EU Member State.

  e) The management company is obliged to comply with restrictions as regards the acquisition of significant influence over the management of an issuer who is based in a Member State, stipulated by the legislation of such Member State, also taking into account assets in standard unit trusts managed by the management company.

  f) The management company must ensure that the risk of harm to interests of unit trust holders or holders of a European fund or the management company's clients is minimised as regards a conflict of interests between the management company and its clients, between two of its clients, between one of its clients and unit trust holders or unit trust holders or holders of a European fund or between the unit trust holders and holders of European funds.

Adequacy of Own Funds
After assessing all the potential impacts of COVID-19 on its activities, the Company concluded that given the specific form of funding, there is no negative impact on its liquidity.

5. Financial Risk Management (Continued)

	2021 Indicator Value EUR '000	2020 Indicator Value EUR '000
Limit of initial capital in EUR '000	125	125
Paid up share capital	300	300
Share premium	-	-
Accumulated loss/retained earnings of previous years	8 807	5 210
Items decreasing the value of own funds		-
Reserve fund and other funds	1 560	1 560
Total initial capital	10 667	7 070
Information on meeting the adequacy limit for own funds by the Company in %	*8 533.6*	*5 656*

The adequacy limit for own funds of the Company was met at *8 533%* due to the Company's share capital, reserve fund and Retained earnings of previous years.

Market Risk
The market risk is often associated with global economic, political and social events that have an immediate impact on the prices of individual types of assets included in the Company's assets.

The market risk is regularly assessed after the purchase of an investment, when assessing the current price of the fund's assets using the sensitivity model.

Credit Risk
The credit risk refers to a risk that a counterparty will not comply with its contractual obligations resulting in a loss for the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of a financial loss as a result of non-compliance with obligations. Monetary transactions are limited only to high credit financial institutions. The Company did not restrict the amount of open position towards any financial institution.

Assets for Trading
The Company minimises its credit risk in trading with securities so that the closing of deals is made in compliance with law so that the consideration in favour of the Company's assets is transferred under the payment-delivery principle by deadlines that are standard on the regulated market.

Receivables
The Company is not exposed to credit risk arising from loans and borrowings, as according to Act No. 203/2011 Coll. on Collective Investment as amended, the Company provides no loans or borrowings except for borrowings provided ad hoc to real estate companies on a non-business basis for the temporary coverage of cash flows in connection with the anticipated return of excess VAT deductions.

Exchange Rate Risk
Exchange rate risk results from the fact that the investment value may be affected by a change in foreign currency exchange rates.

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5. Financial Risk Management (Continued)

Liquidity Risk
The Company defines the liquidity risk as the possible loss of income and own funds as a result of the Company's failure to meet its obligations when they fall due, without causing unnecessary losses. The liquidity risk is defined by the Act on Collective Investment.

The remaining maturity period of financial assets and liabilities as at 31 December 2021 is presented in the table below where undiscounted cash flows are presented in connection with their earliest contractual maturity. Cash flows expected by the Company do not significantly differ from this analysis.

	Within 3 months	From 3 months up to 1 year	From 1 up to 5 years	More than 5 years	Undiscounted cash flows	Carrying amount
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Assets						
Cash and cash equivalents	23 444	-	-	-	23 444	23 444
Investments				369	369	369
Other assets	1 682	-	-	-	1 682	1 682
	25 126	-	-	369	25 495	25 495

	Within 3 months	From 3 months up to 1 year	From 1 up to 5 years	More than 5 years	Undiscounted cash flows	Carrying amount
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Liabilities						
Trade payables	74	-	-	-	74	74
Other liabilities	14 476		-	-	14 476	14 476
	14 550		-	-	14 550	14 550

The Company records no overdue liabilities as at 31 December 2021.

The remaining maturity period of financial assets and liabilities as at 31 December 2020 is presented in the table below where undiscounted cash flows are presented in connection with their earliest contractual maturity. Cash flows expected by the Company do not significantly differ from this analysis.

	Within 3 months	From 3 months up to 1 year	From 1 up to 5 years	More than 5 years	Undiscounted cash flows	Carrying amount
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Assets						
Cash and cash equivalents	29 239	-	-	-	29 239	29 239
Investments				369	369	369
Other assets	987	-	-	-	987	987
	30 226	-	-	369	30 595	30 595

	Within 3 months	From 3 months up to 1 year	From 1 up to 5 years	More than 5 years	Undiscounted cash flows	Carrying amount
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
Liabilities						
Trade payables	63	-	-	-	63	63
Other liabilities	23 563		-	-	23 563	23 563
	23 626		-	-	23 626	23 626

The Company records no overdue liabilities as at 31 December 2020.

Interest Rate Risk
The interest rate risk represents the negative impact of interest rate changes on the financial market. If there is a change in interest rates on the market, it automatically has an impact on the prices of securities. If interest rates increase, the prices of securities fall, and vice versa, if interest rates decrease, the prices of securities rise. These changes have a significant impact on the securities issuer and the investor.

Operational Risk
The operational risk is a risk of direct or indirect loss due to a wide range of causes associated with the Company's processes, staff, technology and infrastructure, and external factors other than credit, market and liquidity risks, such as risks arising from legal and regulatory requirements and generally accepted standards of corporate conduct. There is operational risk related to all of the Company's operations and business activities. This is managed and monitored by Company control systems.

The Company's goal is to manage operational risk so as to find a balance between avoiding financial losses, and avoiding damage to the Company's reputation and overall effectiveness of costs, and avoiding control procedures which limit initiative and creativity.

5. Financial Risk Management (Continued)

The primary goal of the Company's operational risk management is to mitigate and/or limit losses due to operational risk and thus, mitigate the negative impact of the operational risk on the profit/ loss and own funds of the Company.

Given the scope of the Company's activities in 2021, operational risk was insignificant.

Operational measures adopted in relation to the COVID-19 pandemic did not increase the Company's operational risk in 2021

Legal Risk
The operational risk also includes a legal risk, ie the risk of loss primarily arising from a failure to enforce contracts, from the threat of unsuccessful legal disputes or court rulings with an adverse impact on the Company. In the Company's environment, there is also the risk of sanctions imposed by regulators that may be connected with reputational risk.

Counterparty Risk
Counterparty risk is a risk that the counterparty to a transaction fails to meet its obligations before their final settlement. The Company's Board of Directors approves specific counterparties.

6. Cash and Cash Equivalents

	2021 EUR '000	**2020 EUR '000**
Bank accounts – current	23 444	29 239
Cash on hand, stamps and vouchers	0	0
	23 444	29 239

The Company has balances on current accounts held with Všeobecná úverová banka, a.s., Bratislava, SZRB, a.s. Bratislava and with Štátna pokladnica (State Treasury).

7. Property, Plant and Equipment

Cost	Fixtures and fittings EUR '000
At 1 Jan 2021	200
Additions	-
Transfers	-
Disposals	(3)
At 31 Dec 2021	197
At 1 Jan 2020	196
Additions	4
Transfers	
Disposals	-
At 31 Dec 2020	200
Accumulated Depreciation	
At 1 Jan 2021	(112)
Additions	(38)
Transfers	-
Disposals	3
At 31 Dec 2021	(147)
At 1 Jan 2020	(73)
Additions	(39)
Transfers	-
Disposals	-
At 31 Dec 2020	(112)
Carrying amount as at 31 December 2021	50
Carrying amount as at 31 December 2020	88

Items of property, plant and equipment are insured against damage caused by theft and natural disaster up to EUR 78 thousand (2020: EUR 78 thousand).

8. Deferred Tax Asset

The deferred tax asset as at 31 December 2021 and 31 December 2020 relates to the following items:

	2021 EUR '000	2020 EUR '000
Outstanding payables	-	-
Tax loss	-	-
Provisions for liabilities	91	77
	91	77

The deferred tax asset is calculated using the income tax rate of 21%. The Company recognised the deferred tax asset as it expects sufficient taxable profits in the future against which the deferred tax asset can be utilised.

9. Investments

	2021 EUR '000	2020 EUR '000
Slovak asset management, správ. spol., a. s. (SAM)	338	338
National Development Fund I., s.r.o. (NDF I)	4	4
National Development Fund II., a.s. (NDF II)	27	27
	369	369

The SAM investment comprises a contribution to Slovak asset management, správ. spol., a. s., established by the granting of a licence by the NBS and subsequently registered in the Business Register of the SR on 21 July 2018. Equity amounted to EUR 137.5 thousand as at the date of entry.
On 22 May 2019, the General Meeting decided on a monetary contribution to Slovak asset management, správ. spol., a. s., of up to a total amount of EUR 200 thousand. A contribution of EUR 95 thousand to Slovak asset management, správ. spol., a. s., was made on 10 June 2019. A contribution of EUR 105 thousand to Slovak asset management, správ. spol., a. s., was made on 17 April 2020.

On 15 January 2020, the Agreement on the Transfer of Ownership Share in National Development Fund I., s. r.o., was signed, under which Slovak Investment Holding, a.s., acquired a 0.004% ownership share amounting to EUR 3 851 from Slovenská záručná a rozvojová banka a.s.

On 15 January 2020, the Agreement on the Transfer of Shares of National Development Fund II., s. r.o., was signed, under which Slovak Investment Holding, a.s., acquired 25 shares amounting to EUR 27 000 from Slovenská záručná a rozvojová banka a.s. The face value is EUR 1 000 per share.

In 2021, there were no changes to investments.

10. Other Assets

	2021 EUR '000	2020 EUR '000
Receivables not overdue or impaired:		
Trade receivables	1 530	969
Other receivables	152	18
Subtotal:	1 682	987
Accrued income	-	-
Other Assets	1 682	987

In 2021*, trade receivables* comprise receivables from National Development Fund I., s.r.o., National Development Fund II., a.s., and Slovak Asset Management, správ. spol., a. s. Other receivables amounting to EUR 127 thousand comprise a receivable from the EIB under a signed Agreement on Financing of the Development and Implementation of Investment Advisory Services.

In 2020*, trade receivables* comprise receivables from National Development Fund I., s.r.o., National Development Fund II., a.s., and Slovak Asset Management, správ. spol., a. s.

11. Provisions for Liabilities

The Company created no provisions for liabilities in 2021 and 2020. In 2020, the Company adjusted the classification of estimated items, and this reclassification was also applied retrospectively to amounts recognised in 2019. Estimated items recognised in the 2019 financial statements consisting of payables to employees, and social security institutions are included in “Other liabilities”. Estimated items recognised in the 2019 financial statements consisting of supply-customer relations are recognised as “Trade payables”.

12. Other Liabilities

	2021 EUR '000	2020 EUR '000
Liability from Financing Agreements	9 750	19 415
Liabilities to employees and insurance companies	623	530
Other liabilities	34	25
Deferred income	4 069	3 593
Deferred expenses	-	-
	14 476	23 563

In 2021, entrusted funds received from the governing bodies and not invested before the reporting date are posted in other liabilities and recognised in “Liability from Financing Agreements”. Of the amount of EUR 9 750 thousand, an amount of EUR 2 513 thousand represents a liability under the Agreement on Financing of the Central Europe Fund of Funds (CEFoF) with the Ministry of Finance of the SR and an amount of EUR 7 237 thousand represents a liability under the Agreement on Financing of Venture to Future Fund with the Ministry of Finance of the SR.

In 2020, entrusted funds received from the governing bodies, which were not invested before the reporting date, are posted in other liabilities and recognised as “Liability from Financing Agreements”.

Of the amount of EUR 19 415 thousand, an amount of EUR 4 478 thousand represents a liability under the Financing Agreement with the Ministry of Transport of the SR (intermediate authority: Ministry of Economy of the SR), an amount of EUR 2 789 thousand represents a liability under the Agreement on Financing of the Central Europe Fund of Funds (CEFoF) with the Ministry of Finance of the SR, and an amount of EUR 12 148 thousand represents a liability under the Agreement on Financing of Venture to Future Fund with the Ministry of Finance of the SR.

Based on Slovak Government’s resolution No. 736/2013 of 18 December 2013, the Plan to Implement Funds Through Slovak Investment Holding, a.s. in the programming period 2014 – 2020 was approved, for which a minimum amount of 3% of each operational programme will be allocated (except for operational programmes for the European Territorial Cooperation Objective).

The Company signed Financing Agreements with the Ministry of Transport, Construction and Regional Development of the SR, Ministry of Environment of the SR, Ministry of Labour, Social Affairs and Family of the SR, Ministry of Agriculture and Rural Development of the SR, Ministry of Interior of the SR (hereinafter the “Ministries") and with National Development Fund II., a.s. (formerly Slovak Investment Holding, a.s.) under which the Ministries entrusted funds that were/will be invested in National Development Fund II., a.s. (formerly Slovak Investment Holding, a. s.). The Company was engaged to manage the funds and its role is to ensure the funds are used solely in line with the investment strategy, for which the Company is entitled to a management fee.

Deferred income (ie income in the current reporting period pertaining in terms of substance to deferred income). The item represents income deferrals as regards fees for management of National Development Fund II., a.s. The fees are invoiced for the benefit of the Company on an annual basis when due for 12 months.

Movements in the Social Fund account during the year were as follows:

	2021	**2020**
	EUR '000	**EUR '000**
At the beginning of the reporting period	8	9
Creation	7	6
Drawing	-7	-7
As at 31 December	**8**	**8**

13. Share Capital

	2021	**2020**
	EUR '000	**EUR '000**
Share capital fully subscribed and paid:		
At the beginning of the reporting period	300	300
As at 31 December	300	300

As at 31 December 2021, subscribed and paid up share capital consists of 300 ordinary shares with a face value of EUR 1 000 per share. Holders of ordinary shares have one voting right per ordinary share.

The Company’s share capital was recorded in the Business Register in the amount of EUR 300 000 on 1 May 2014.

	2021	**2020**
	EUR '000	**EUR '000**
Profit/(loss) after tax	4 097	2 557
Number of shares	300	300
Basic/diluted loss/earnings per share in EUR	13 657	8 524

14. Reserve Funds and Retained Earnings

	Profit for the reporting period EUR '000	Legal reserve fund EUR '000	Other capital funds EUR '000	Total EUR '000
At 1 January 2021	5 210	60	1 500	6 770
Payment of dividends and royalties	-500			-500
Profit for 2021	4 097			4 097
At 31 December 2021	8 807	60	1 500	10 367

	Profit for the reporting period EUR '000	Legal reserve fund EUR '000	Other capital funds EUR '000	Total EUR '000
At 1 January 2020	3 703	60	1 500	5 263
Payment of dividends and royalties	-1 050			-1 050
Profit for 2020	2 557			2 557
At 31 December 2020	5 210	60	1 500	6 770

Ordinary shares holders are entitled to dividends when they are declared.

(a) Legal Reserve Fund
The legal reserve fund was created at the Company's establishment by a contribution of the shareholders in an amount of up to 10% of the share capital pursuant to the Company's Articles of Association.

As per the decision of the General Meeting, the profit for the 2020 reporting period was distributed on 12 May 2021 as follows: payment of dividends in the amount of EUR 450 thousand and payment of royalties in the amount of EUR 50 thousand. The amount of EUR 2 057 thousand was transferred to Retained earnings from previous years.

The proposed distribution of profit for the 2021 reporting period is as follows: payment of dividends in the amount of EUR 450 thousand and payment of royalties in the amount of EUR 50 thousand. The amount of EUR 3 597 thousand will be transferred to Retained earnings from previous years.

15. Net Fee and Commission Income

The Company generated management fees for the management of National Development Fund II., a.s. (formerly Slovak Investment Holding s.r.o.) and National Development Fund I., s. r. o. (formerly Slovenský záručný a rozvojový fond, s.r.o.):

	2021 EUR '000	2020 EUR '000
National Development Fund II., a.s.	6 977	5 014
National Development Fund I., s. r. o.	698	660
	7 675	5 674

16. Other Income

	2021 EUR '000	2020 EUR '000
Other income	192	65
	192	65

Other income in 2021 amounting to EUR 127 thousand comprises the Company's eligible costs invoiced to the EIB under a signed Agreement on Financing of the Development and Implementation of Investment Advisory Services. Income from services provided to SAM amount to EUR 65 thousand.

Other income in 2020 comprises invoiced and reimbursed expenses for due diligence and external advisory incurred by the Company when performing "direct" equity investments (EUR 29 thousand) and revenues from services provided to SAM (EUR 35 thousand).

17. Personnel Expenses

	2021 EUR '000	2020 EUR '000
Wages and salaries (incl. bonuses)	1 442	1 292
Social insurance	533	446
	1 975	1 738

18. General Administrative Expenses

	2021 EUR '000	2020 EUR '000
Rent	151	149
Legal advisory services	75	177
Travel expenses, training courses and recruitment	7	10
Marketing and advertising expenses	44	52
Telephone and other communication charges	23	24
Material costs	4	5
Audit services	19	19
Training courses	4	6
IT services	76	71
VAT coefficient	75	77
Lease of transportation means	18	22
Transaction, financial and tax advisory	94	33
Other services	76	64
	666	710

Deloitte Audit s.r.o. (audit firm) provides services to the Company, in particular services related to the audit of the separate financial statements for the period ended 31 December 2021 (2020: Deloitte Audit s.r.o.). Deloitte Audit s. r. o. provided no other services to the Company. "Audit services" include an amount for the audit of the Company and National Development Fund II., a.s.

As at 31 December 2021, the Company employed 34 employees (full time) (2020: 28), of which 3 were managers. The full-time equivalent was 30.91 employees (2020: 28.5).

19. Income Tax

Income tax structure:

	2021 EUR '000	2020 EUR '000
Recognised in profit or loss		
Current income tax of the current year	1 106	694
Deferred tax (Note 8)	(14)	1
Total income tax	(1 092)	(695)

Act No. 341/2016 Coll. amending Act No. 595/2003 Coll. on Income Tax, as amended, was approved on 23 November 2016 with effect from 1 January 2017. The said act changes the corporate income tax rate applicable in 2017 to 21%. The income tax rate of 21% was used for the deferred tax calculation.

Tax on pre-tax profit differs from the theoretical tax which would arise if the valid income tax rate was applied:

	2021 EUR '000	2020 EUR '000
Profit before taxes	5 189	3 252
Theoretical tax calculated using the tax rate of 21% (2020: 21%)	(1 090)	(683)
Tax non-deductible expenses – tax effect	(16)	(11)
Non-taxable income – tax effect		-
Total	**(1 106)**	**(694)**

Calculation of the corporate income tax base as at 31 December 2021 and 31 December 2020:

	2021 EUR '000	2020 EUR '000
Loss/profit before taxes	5 189	3 252
+ Items that are not tax-deductible expenses	436	429
- Items not included in the tax base, decreasing the profit/loss before taxes	359	373
Tax base or tax loss	5 266	3 308
Tax loss deduction	-	-
Tax base decreased by tax-deductible items	5 266	3 308
Tax rate as per Article 15 (in %) of the Income Tax Act	21	21
Tax	**(1 106)**	**(694)**

20. Related-Party Transactions

Related parties are entities which exercise control over the Company or the Company over them, or if an entity has significant influence over the other party when making decisions on financial and operating activities.

The Company performs transactions with related parties, ie its shareholder and members of top management.

Transactions with the following related parties were carried out on an arm’s length basis.

Slovak Investment Holding, a.s.
Notes to the Separate Financial Statements for the Year Ended 31 December 2021

a) Shareholder

(Slovenská záručná a rozvojová banka, a. s.)

	2021 EUR '000	2020 EUR '000
Assets		
Current bank account	5	5
Advance payments made	11	11
Liabilities		
Building security	4	2
Provision for lease-related services	11	11
Provision for liabilities (re-invoicing of costs of audit)	19	19
Transactions with the shareholder:		
Rent for non-residential premises and furniture	111	111
Lease-related services and security guards	22	21
Audit	19	19

b) National Development Fund II., a.s.

	2021 EUR '000	2020 EUR '000
Assets		
Investments	27	27
Trade receivables	1 023	550
Deferred income		
Fees	4 069	3 592
Revenues		
Revenues from management	6 977	5 013

c) National Development Fund I., s. r. o.

	2021 EUR '000	2020 EUR '000
Investments	4	4
Receivables	434	380
Revenues		
Revenues from management	698	660

d) Slovak Asset Management, správ. spol., a. s.

	2021 EUR '000	2020 EUR '000
Investments	338	338
Receivables	74	40
Revenues		
Revenues from services	65	35

e) Národný centrálny depozitár cenných papierov (National Central Depository of Securities)

Liabilities	2021 EUR '000	2020 EUR '000
Trade payables	-	1

Expenses	2021 EUR '000	2020 EUR '000
Fees for management and account administration	15	60

f) Centrálny depozitár cenných papierov SR (Central Depository of Securities of the Slovak Republic)

Liabilities	2021 EUR '000	2020 EUR '000
Trade payables	3	-

Expenses	2021 EUR '000	2020 EUR '000
Fees for management and account administration	-	-

g) Daňový úrad SR (Tax Office of the Slovak Republic)

Liabilities	2021 EUR '000	2020 EUR '000
Tax liabilities	444	82

h) Ministries

Liability under the Financing Agreement	2021 EUR '000	2020 EUR '000
Ministry of Economy of the SR (RO MD)		4 477
Ministry of Finance of the SR	9 750	14 937

i) Members of the Company Top Management

The amount of monetary and in-kind income of management members as at 31 December was as follows:

	2021 EUR '000	2020 EUR '000
Monetary income	325	290
In-kind income		-
	325	290

21. Fair Value

The fair value is a consideration which would be obtained for the sale of an asset or which would be paid for the transfer of a liability in a standard transaction between market participants as at the measurement date. If market prices are available (especially for securities traded on the stock exchange and active markets), the fair value estimate is derived from market prices. All other financial instruments were measured based on internal valuation models including present value models or using expert opinions.

Fair values and carrying amounts of financial instruments are presented in the table below:

Financial assets	Carrying amount 2021 EUR '000	Fair value 2021 EUR '000	Carrying amount 2020 EUR '000	Fair value 2020 EUR '000
Cash and cash equivalents	23 444	23 444	29 239	29 239
Investments	369	369	369	369
Other assets	1 682	1 682	987	987

Financial liabilities	Carrying amount 2021 EUR '000	Fair value 2021 EUR '000	Carrying amount 2020 EUR '000	Fair value 2020 EUR '000
Trade payables	74	74	63	63
Other liabilities	14 476	14 476	23 563	23 563

When estimating fair values of the Company's financial assets, the following methods and assumptions were used:

Cash and Cash Equivalents

The fair values of current account balances approximate their carrying amounts. For an account with a remaining maturity period of less than three months, it is reasonable to consider its carrying amount as an approximate fair value.

Investments

Investments in subsidiaries were measured at cost and are recognised at fair value, which reflects the assessment of risks having an impact on the impairment of assets held by subsidiaries.

Other Assets

Receivables are stated at their net value, less of provisions. For accounts with a remaining maturity period of less than three months, it is reasonable to consider their carrying amount as an approximate fair value. The fair value of other receivables from clients is calculated by discounting future cash flows using current market rates and estimated risk margins.

Trade and Other Payables

The estimated fair value of liabilities approximates their carrying amount. The fair value of liabilities with remaining maturity period of more than three months is estimated by discounting their future expected cash flows using the zero-risk interest rate curve. The Company has no liabilities with remaining maturity period of more than three months.

Received Loans

The fair value of received loans is calculated by discounting future cash flows using valid interbank rates. For received loans with a remaining maturity period of less than three months, it is reasonable to consider their carrying amount as an approximate fair value.

22. Contingent Assets and Liabilities

The Company recorded no contingent assets or contingent liabilities in the 2021 reporting period.

Given that many areas of Slovak tax law have not yet been sufficiently verified in practice, there is uncertainty as to their application by the tax authorities. The level of such uncertainty cannot be quantified and will be eliminated once the legal precedents or official interpretations by the relevant authorities are available. Company management is not aware of any circumstances due to which it could incur significant costs.

23. Off-balance Sheet Items

The Company does not include the subsidiaries **National Development Fund I., s. r. o. ("NDF I")** and **National Development Fund II., a.s. ("NDF II")** in the Slovak Investment Holding, a. s. consolidation group as it does not exercise control over these entities. National Development Fund II., a.s. ("NDF II") and National Development Fund I. s. r. o. ("NDF II") are subsidiaries, however, investing in these companies is governed by special contracts, under which the Company does not receive rewards or assume risks in respect of invested funds. Under the assessment above, the aforementioned companies are not considered to be companies controlled by the Company and therefore, they are not reported in the off-balance sheet accounts.

Slovak Asset Management, správ. spol., a. s. does not meet the consolidation criteria.

The Company has a share in the share capital of **National Development Fund II., a.s. ("NDF II")** with its registered office at Bratislava, Grösslingová 44, Slovakia, which was formed by a Deed of Foundation executed on by its sole founder – Slovenská záručná a rozvojová banka, a.s. on 7 April 2014 and incorporated in the Business Register maintained by District Court Bratislava I, Section: Sa, File No. 5948/B on 26 April 2014 which is its formation date. During 2021, the company's share capital was decreased. As at 31 December 2021, the total share capital of NDF II amounted to EUR 299 376 thousand (2020: EUR 333 918 thousand). On 15 January 2020, the Company purchased a 0.007% ownership interest from SZRB held in its own name and to its own account. The principal business activity of NDF II is raising funds from investors with the aim of investing the funds in accordance with a defined investment policy.

The Company has a share in **National Development Fund I., s. r. o. ("NDF I")** with its registered office at Bratislava, Grösslingová 44, Slovakia, which was formed by a Deed of Foundation executed by its sole partner – Slovenská záručná a rozvojová banka, a.s. ("SZRB") on 10 March 2009 and incorporated in the Business Register maintained by District Court Bratislava I, Section: Sro, File: No. 57505/B on 21 March 2009, which is its formation date. On 12 January 2011, the European Investment Fund ("EIF") became a shareholder in NDF I. On 1 January 2016, the Company became a shareholder in the company and replaced EIF. On 15 January 2020, the Company purchased a 0.004% ownership interest from SZRB held in its own name and to its own account. As at 31 December 2021, the total share capital of NDF I amounted to EUR 107 973 thousand (2020: EUR 107 973 thousand).

Below is given an overview of off-balance sheet items by amount of assets under management invested in National Development Fund II., a.s. by ministry and operational programme:

	2021 EUR '000	2020 EUR '000
Ministry of Transport, Construction and Regional Development of the SR (OPII)	67 351	67 351
Ministry of Agriculture and Rural Development of the SR (IROP)	39 241	73 783
Ministry of Economy of the SR (RO MD)	447 501	185 462
Ministry of Environment of the SR (OP EQ)	35 335	35 335
Ministry of Interior of the Slovak Republic	6 786	3 393
Ministry of Labour, Social Affairs and Family of the Slovak Republic	14 626	14 625
TOTAL	**610 838**	**379 950**

Below is given an overview of off-balance sheet items by amount of assets under management invested in National Development Fund I., s. r. o. by ministry and operational programme:

	2021 EUR '000	2020 EUR '000
Ministry of Finance of the Slovak Republic	107 973	107 973
TOTAL	**107 973**	**107 973**

24. Events After the Reporting Date

From 31 December 2021 up to the preparation date of the financial statements, there were no events that would have a significant impact on the Company's assets and liabilities, except for those referred to above and those resulting from the ordinary course of business operations.

ANNEXES

Annex 2: Report on the Review of Consistency of the Annual Report with the Financial Statements

Deloitte.

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

Tel: +421 2 582 49 111
deloitteSK@deloitteCE.com
www.deloitte.sk

Registered in the Business
Register of the District Court Bratislava I
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

Slovak Investment Holding, a. s.

SUPPLEMENT TO THE INDEPENDENT AUDITOR'S REPORT
to Section Report on Information Disclosed in the Annual Report

To the Shareholder, Supervisory Board and Board of Directors of Slovak Investment Holding, a. s.:

We have audited the financial statements of Slovak Investment Holding, a. s. (the "Company") as at 31 December 2021 disclosed in appendix No. 1 of the accompanying annual report of the Company, on which we issued an independent auditor's report on 10 February 2022 that is disclosed in appendix No. 1 of the Company's annual report. We have prepared this supplement in accordance with Article 27 (6) of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Statutory Audit Act").

Based on the performed procedures described in section "Report on Information Disclosed in the Annual Report" of the independent auditor's report specified above, in our opinion:

- Information disclosed in the Company's annual report prepared for 2021 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to Act No. 431/2002 Coll. on Accounting, as amended.

Furthermore, based on our understanding of the Company and its position obtained during our audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report. There are no findings that should be reported in this regard.

Bratislava, 28 September 2022

Ing. Zuzana Letková, FCCA
Responsible Auditor
Licence SKAu No. 865

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

This is a translation of the original supplement to the auditor's report issued in the Slovak language to the accompanying annual report translated into the English language.

SLOVAK
INVESTMENT
HOLDING
SZRB GROUP

Slovak Investment Holding, a. s.
Grösslingová 44
811 09 Bratislava
www.sih.sk