

Annual report



2022

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2022

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Foreword of the Chairman of the Board of Directors

Dear shareholder, business partners and colleagues,

since summer 2021, we have been going through a phase of rebranding at 365.invest, with a new management and a renewed team. However, the big ambitions with which we entered 2022 received an imaginary stop right at the beginning. In February, we were startled by the beginning of the Russian-Ukrainian conflict, which challenged our ability to react swiftly to unexpected events. Similarly to what Covid-19 had done the year before. The sympathy and geographical proximity of the unrest influenced investor behaviour in financial markets, particularly in commodity and equity markets in Europe. The war conflict again highlighted the common mistakes made by investors, who began to redeem their long-term investments.

Despite a slower start, we managed to get the 365.invest brand to the next stage, where we could refer more intensively to the projects and achievements we manage to accomplish and fulfil. The Company has built a decent team for real estate management, with the potential to build a name for itself abroad as well. We are backed by professionals and people who enjoy their work. By connecting these energies, the surroundings seemingly feel our energy, thanks to which we can be proud of our work in particular, but also of such enjoyable moments that only confirm our actions and our direction.

Thanks to this, I can keep saying we are a trendsetter in the world of investments. Last year we enhanced our investment portfolio with a revolutionary equity fund – Cryptomix. This indirectly invests in cryptocurrencies through regulated, exchange-traded securities which replicate the proceeds of withdrawals from around 15 cryptocurrencies. This enables the client to invest in a mutual fund whose potential in terms of performance is enormous.

We are not done with innovations and trends at Cryptomix. In cooperation with 365.bank, we launched two successful products – Investičné sporenie and Investičné Syslenie, which represent investing in mutual funds via an app. Thanks to this, we have made investing even more accessible and easier for all people today. The efforts didn't go unnoticed and we won first place in the prestigious competition in the Leadership of the Year category. The CIJ Awards is the longest running commercial real estate awards event in the Slovak Republic and for us it is a very important award within the Central European region.

Thanks to these activities, 2022 was historically one of the most successful in collective investment for 365.invest, and we generated the highest profit so far, which represented a year-on-year increase of 6.16%, despite the ongoing COVID-19 pandemic. In 2022, we achieved a 12.3% market share and thus ranked among the TOP 3 management companies in the market.

Ing. Gabriel Balog
CEO 365.invest

Identification data

365.invest, správ. spol., a. s.

Business name	365.invest, správ. spol., a. s.
Registered office	Dvořákovo nábrežie 4, 811 02 Bratislava
Identification number (IČO)	31 621 317, established on 3 January 1995 in the Slovak Republic by the Memorandum of Association dated 11 October 1994 and incorporated in the Commercial Register of the District Court Bratislava I, Section: Sa, File No. 896/B
Website	www.365invest.sk
Establishment of the Company	11 October 1994
Line of business	establishment and management of mutual funds under a license to establish and operate a management company granted by the Financial Market Authority
Board of Directors	Ing. Gabriel Balog Chairman of the Board of Directors from 1 May 2022 Ing. Matej Godál Member of the Board of Directors from 01 September 2022 Mgr. Ivana Kubisová Member of the Board of Directors from 02 May 2019 to 31 August 2022 Ing. Juraj Bielik Member of the Board of Directors from 9 December 2020
Supervisory Board	Ing. Andrej Zafko Chairman of the Supervisory Board from 14 December 2016 Ing. Peter Hajko Member of the Supervisory Board from 20 June 2019 Ing. Dávid Lupták, PhD Member of the Supervisory Board from 20 June 2019
Shareholder	100 % – 365.bank, a. s., Slovak republic
Share capital	1,70 mil. eur
Depository	365.bank, a. s.
Registered office	Dvořákovo nábrežie 4, Bratislava
Identification number (IČO)	31 340 890
Auditor of the Company	KPMG Slovensko, spol. s r. o. Dvořákovo nábrežie 10, 811 02 Bratislava

Information on the company

Established on 3 January 1995 in the Slovak Republic by the Memorandum of Association dated 11 October 1994 and incorporated in the Commercial Register of the District Court Bratislava I section: Sa, File No. 896/B.

The principal activity of the Management Company is the management of the following mutual funds under a special permit issued in accordance with the Act on Collective Investment in the territory of Slovak Republic. As at 31 December 2022, the Management Company managed 4 standard mutual funds and 8 special mutual funds:

Standard mutual funds:

- Eko o. p. f. – 365.invest, správ. spol., a. s.
- Blockchain o. p. f. – 365.invest, správ. spol., a. s.
- Cryptomix o. p. f. – 365.invest, správ. spol., a. s.
- Fond stabilných výnosov o. p. f. – 365.invest, správ. spol., a. s.
- Akciový globálny o. p. f. – 355.invest, správ. spol., a. s. (merged into Fond prevratných technológií o. p. f. on 01 April 2022)
- Dlhopisový krátkodobý o. p. f. – 365.invest, správ. spol., a. s. (merged into Fond stabilných výnosov o. p. f. on 08 March 2022)
- Zmiešaný aktívny o. p. f. – 365.invest, správ. spol., a. s. (merged into Dynamický flexibilný fond o. p. f. on 07 March 2022)
- Dynamický flexibilný fond o. p. f. – 365.invest, správ. spol., a. s. (merged into Eko o. p. f. 14 on October 2022)
- Fond prevratných technológií o. p. f. – 365.invest, správ. spol., a. s. (merged into Eko o. p. f. 14 on October 2022)

Special mutual funds:

- Realitný o. p. f. – 365.invest, správ. spol., a. s. – public real estate fund
- Realitný plus o. p. f. – 365.invest, správ. spol., a. s. – public special real estate mutual fund
- Konzervatívny flexibilný o. p. f. – 365.invest, správ. spol., a. s. – special fund of securities
- Zmiešaný komfortný o. p. f. – 365.invest, správ. spol., a. s. – special fund of securities
- KLM real estate fund o. p. f. – 365.invest, správ. spol., a. s. – special qualified investors fund
- AAA wealth fund o. p. f. – 365.invest, správ. spol., a. s. – special qualified investors fund
- 365.invest Equity FKI o. p. f. – 365.invest, správ. spol., a. s. – special qualified investors fund
- 365.invest Capital FKI o. p. f. – 365.invest, správ. spol., a. s. – special qualified investors fund
- J&T BOND EUR zmiešaný o. p. f. – 365.invest, správ. spol., a. s. – special public mutual fund

- J&T SELECT zmiešaný o. p. f. – 365.invest, správ. spol., a. s. – special security mutual fund
- J&T PROFIT EUR zmiešaný o. p. f. – 365.invest, správ. spol., a. s. – special security mutual fund
- Zmiešaný kapitálový o. p. f. – 365.invest, správ. spol., a. s. – special security mutual fund (merged into Konzervatívny flexibilný fond o. p. f. on 07 March 2022)
- Dlhopisový stabilný o. p. f. – 365.invest, správ. spol., a. s. – special security mutual fund (merged into Fond stabilných výnosov o. p. f. from 08 March 2022)

Management of the company

365.invest generated the historically highest profit after tax in the amount of EUR 14 138 000, a year-on-year increase of 6.16%. The volume of managed assets at the end of 2022 was in the amount of EUR 1 437 mil., which represents a decrease of 23.1% compared to the previous year and in absolute terms it is EUR 431 673 mil. less than in 2021. The decrease was primarily caused by the transition of the management of selected funds to J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a. s. As at 31 December 2022, the Company achieved a 12.3% market share, making it one of the Top 4 Management Companies in the market.

365.invest, správ. spol., a. s., as an accounting entity was not exposed to any significant risks or uncertainties arising from its own activities during 2022.

Significant events during 2022

On 2 March 2022, effective as at 7 March 2022, an application was submitted to the National Bank of Slovakia for the prior consent to change the name of the fund from Zmiešaný aktívny o. p. f. – 365.invest, správ. spol., a. s. to Dynamický flexibilný fond o. p. f. – 365.invest, správ. spol., a. s.

On 2 March 2022, effective as at 7 March 2022, an application was submitted to the National Bank of Slovakia for the prior consent to change the name of the fund from Zmiešaný kapitálový o. p. f. – 365.invest, správ. spol., a. s. to Konzervatívny flexibilný fond o. p. f. – 365.invest, správ. spol., a. s.

On 7 March 2022, effective as at 8 March 2022, an application was submitted to the National Bank of Slovakia for the prior consent to merger of Dlhopisový stabilný fond o.p.f – 365.invest, správ. spol., a. s. into Dlhopisový krátkodobý o. p. f. – 365.invest, správ. spol., a. s. Change in statute gave rise to change of the name of Dlhopisový krátkodobý o. p. f. – 365.invest, správ. spol., a. s. to Fond stabilných výnosov o. p. f. – 365.invest, správ. spol., a. s.

On 30 March 2022, effective as at 1 April 2022, an application was submitted to the National Bank of Slovakia for the prior consent to change the name of the fund from Akciový globálny o. p. f. – 365.invest, správ. spol., a. s. to Fond prevratných technológií o. p. f. – 365.invest, správ. spol., a. s.

On 31 March 2022, effective as at 1 April 2022, based on the decision of NBS, a permission for management of the public special fund was provided for Cryptomix o. p. f. – 365.invest, správ. spol., a. s.

On 17 May 2022, NBS provided a prior consent to J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a. s. And management Company 365.invest, správ. Spol., a. s. for transfer of management of public special fond J&T SELECT zmiešaný o. p. f. – 365.invest, správ. spol., a. s. in the portfolio of 365.invest, správ. spol., a. s. to management company J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a. s.

On 17 May 2022, NBS provided a prior consent to J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a. s. And management Company 365.invest, správ. spol., a. s. for transfer of management of public special fond J&T PROFIT zmiešaný o. p. f. – 365.invest, správ. spol., a. s. in the portfolio of 365.invest, správ. spol., a. s. to management company J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a. s.

On 17 May 2022, NBS provided a prior consent to J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a. s. and management Company 365.invest, správ. spol., a. s. for transfer of management of public special fond J&T BOND EUR zmiešaný o. p. f. – 365.invest, správ. spol., a. s. in the portfolio of 365.invest, správ. spol., a. s. to management company J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a. s.

On 14 July 2022 an application was submitted to the National Bank of Slovakia for the prior consent of the National Bank of Slovakia to the election of Ing. Mateja Godála for a member of the Board of Directors. Decision entered into force on 10 August 2022.

On 12 September 2022, an application for prior approval for the merger of open mutual funds was Submitted to the National Bank of Slovakia related to Dynamický flexibilný o. p. f. – 365.invest, správ. spol., a. s., Fond prevratných technológií o. p. f. – 365.invest, správ. spol., a. s., Inovatívny o. p. f. – 365.invest, správ. spol., a. s. as the defunct funds to the successor fund Eko o. p. f. – 365.invest, správ. spol., a. s. Decision entered into force on 3 October 2022.

On 30 September 2022 an application was submitted to the National Bank of Slovakia for the prior consent of the National Bank of Slovakia to termination of Zmiešaný komfortný o. p. f. – 365.invest, správ. spol., a. s. Decision entered into force on 1 January 2023.

Significant awards received during 2022

Fond stabilných výnosov o. p. f. – 365.invest, správ. spol., a. s.

- **1st place** in TOP FOND SLOVAKIA 2022 as a **Fund with the best revenue and risk** in bond category

Significant events after the reporting date

There were no events after 31 December 2022 that would require disclosure or presentation in this annual report.

Expected future development of activities

Due to the specific nature of the activity, the Company's management does not anticipate or plan to significantly expand the existing license in the near future, which means that the Company will continue to manage open-end mutual funds in such a reasonable number as to reflect the Company's investment policy and market requirements to increase efficiency.

For 2023, the Board of Directors of the Company, based on available information, does not anticipate the occurrence of a risk that could significantly affect the budgeted profit. The reason is the real potential of new investments in managed mutual funds expected due to the marketing activities communicated during 2023.

Research and development costs

The Company does not recognize and does not budget any costs for research and development, as these activities are not in its line of the business.

Acquisition of treasury shares and business shares of the parent entity

The Company does not recognize and does not intend to acquire treasury shares and business shares of the parent entity.

Information required by special regulations

No special information is required.

Organisational units abroad

The Company does not operate organisational units abroad.

2022 profit distribution

The General Meeting will decide on the distribution of the profit for the accounting period 2022 in the amount of EUR 14,138 thousand.

Shareholder of the company

macroeconomic challenges. Especially with regard to the reverberating effects of the pandemic, the war in Ukraine, continuously rising inflation, as well as rising interest rates, 365.bank reflected on this situation and helped its clients to get through the difficult period.

365.bank continued to develop its strategy of a full-format retail bank and delivered solutions which helped its clients. Within the product portfolio, the Bank focused on both refinancing and consolidation products, as well as on supporting the creation of clients' financial reserves.

The Bank also responded to the increased demand for products with higher valuation potential and integrated the option to invest in mutual funds to the application. All of this with no entry fees and by a few clicks from your home. Over the course of the year, it has also expanded investing to include the so-called Investičné Syslenie. This is a unique way of micro-investing in a fund suitable for beginners. It is based on the principle of rounding up payments. For more conservative clients, the Company introduced Kombi deposit, which combines investment in mutual funds with a fixed-term deposit with a guaranteed income.

Throughout the year, 365 strengthened its positioning as a digital Bank offering smart solutions in almost all areas of banking. In addition to new ways to invest, facial biometrics were launched which streamlined account opening options via mobile. 365 launched the first digital mortgage in the market with application submission via a mobile app.

In the past year, 365.bank also paid considerable attention to social responsibility and sustainability. Through its foundation, 365.bank brought financial aid to people fleeing the war in Ukraine. 365.nadácia financially supported the publication of the first Slovak language textbook, which helps Ukrainian children to eliminate the language barrier and integrate into society.

In November, 365.bank became an official signatory of the Diversity Charter and thus signed up to its commitment to create and maintain a work environment based on the principles of diversity, non-discrimination and equality. As part of its ESG activities, it also continued to meet its goal of becoming a carbon-neutral Bank by 2025 and has taken the necessary measures to move closer to this milestone once again.

2022 also brought new developments for subsidiaries of 365.bank.

As part of its corporate social responsibility activities, Poštová banka has focused mainly on financial education and prevention of financial fraud, integrated into the Nenaletme project to educate clients on potential fraud and provided useful advice on how to act in such situations.

365.invest has made its real estate portfolio more attractive by concluding an agreement with CPI Property Group invest on the purchase of three Czech shopping centres IGY České Budějovice, OC Gěčko and Shopping Centre City Park Jihlava. This was one of the largest transactions on the Czech-Slovak market. In addition, the Company has expanded its real estate fund with the Stora shopping centre network in several Slovak cities. The Company was also successful in the important real estate-oriented competition CIJ Awards Slovakia 2022. In Property Leadership of the Year category, where its Board of Directors participated, 365.invest won the first place.

365.bank invested in fintech in 2022 as well. Ondato, a startup streamlining processes related to KYC and AML, has been added to the 365.fintech portfolio. The Company currently has over 300 clients in more than 30 countries operating in fintech, banking, crypto, sharing economy and other industries. In total, 365.fintech has invested €5 million in startups since its establishment.

By the end of the year, the sale of the management company 365.life was successfully completed. Kooperativa took over the management company 365.life and thus acquired 100% of its shares.

Economic information

Economic information

A key factor in global developments in security, politics and economics over the past year has undoubtedly been the Russian invasion of Ukraine, which has had a significant impact on the economic development and led to an immediate reassessment of forecasts for the future period. The long-standing policy of European countries significantly depending on cheap energy imports from Russia has exposed Europe's economic and strategic vulnerability. Warm weather, high full capacity and Europe's rapid shift to alternative energy sources, mainly due to LNG supplies from the US, contributed to Europe avoiding a recession in 2022 and experiencing growth of 3.5%. Growth was strengthened by the strong labour market but the impact on the consumer was marked by high inflation. The US inflation rate exceeding 9% in the summer had not been seen in the world's strongest economy for the last 40 years. However, inflation was not caused by the Russian invasion solely playing a more significant role, particularly in the shorter term, in the form of a surge in energy and food prices. Years of expansive monetary policy in the major economies and the associated unprecedentedly low interest rates, combined with record fiscal measures introduced during the pandemic, have caused the inflated money supply to spill over into the real economy. As a reaction, central banks have been raising interest rates. Out of the major central banks, the US Federal Reserve (FED) was the first to raise interest rates in March, with an increase of 0.25%, with gradual increases ranging from 0.25% to 0.75% ending the year at a level ranging between 4.25% and 4.50%. The European Central Bank took a more cautious approach, increasing all three main rates by 0.50% in the summer after 11 years and ending the year with the main refinancing rate at 2.50%. The ECB's caution reflects the heterogeneity of eurozone economies and the risk of high debt of the southern countries. On the other hand, the Bank will continue to tighten monetary policy to ensure inflation returns to its two percent medium term inflation target.

Bond markets

For years, the bond market has served investors as a counterweight to more risky assets in the portfolio, and with high volatility in these markets, bonds have cushioned any downward swings. However, 2022 represented one of the worst years for bondholders in recent years, if not decades. Indeed, for nearly 80% of U.S. bond funds established before 2021, the year 2022 represented the worst on record. Uncertainty in the markets and rising interest rates put pressure on the prices of bonds already issued, and investors began to move toward the safe haven of U.S. treasuries with more attractive yields. The yield in excess of 3.7% on 10-year US Treasuries and the yield in excess of 4.4% on 2-year US bonds at the end of 2022 have been reflected in a broadening of the inverse shape of the yield curve. The trend is mainly observed between 2 year and 10 year maturities. The bad year for bonds did not bypass the eurozone, which ended the year as one of the worst on record. Yields on 10-year German government bonds ended the year at more than 2.5%, a significant jump compared to the end of 2021. In June last year, fear of the consequences of economic tightening in the form of widening spreads between the strongest and weakest eurozone countries prompted the ECB to

create a new instrument designed to limit fragmentation. At the same time, the ECB announced a flexible reinvestment of the money from the redemption of the securities it bought under its bond purchase scheme.

Share markets

After a record year 2021, where the world's major indexes reached all-time highs, 2022 brought a significant revaluation and a return to more realistic values. The main triggers were the factors mentioned above, with the unprecedented inflation rate of recent years standing out most prominently. The taming of the ever-rising price level has forced central banks to increase key interest rates. The tightening conditions for companies were particularly hard on technology firms, which had used foreign funds to a significantly higher degree for their aggressive growth over several years, and discounting expected earnings at higher interest rates led investors to reassess their positions in technology titles. The decline of the Nasdaq Composite Technology index by more than 30% clearly implies the trend that held the stock market in 2022. The shares of companies that have been in the searchlights of many investors in recent years due to high growth have also undergone a greater shakeout. The high volatility was also reflected in the best-known US index, the S&P 500, which also serves as a benchmark reflecting the development and performance of the US economy. The index has written off almost 20% for 2022. In contrast, energy company shares are seen as the winners of 2022 due to high energy prices caused by the Russian-Ukrainian conflict, led in particular by the prospecting and extraction of these raw materials. The energy sector was the only contributor to profits across the economic sectors measured by MSCI WORLD in 2022. European equities were not spared from the declines. Germany's DAX index wrote off more than 12%. More defensive investor behaviour and a withdrawal from more risky positions also took its toll on assets with an even higher risk profile. Cryptocurrencies will not be remembered positively in 2022. Bitcoin has written off over 64% in a year, and the collapse of one of the best-known exchanges, FTX, has hit the industry hard.

Currency markets

Currency markets, like many other matters this year, can take credit for significant fluctuations not seen for several years. New rate levels set by central banks around the world aimed at suppressing economic activity and an attempt to return inflation levels to the targeted two percent threshold have brought unprecedented momentum to the market on currency pairs. The most traded currency pair EUR/USD has come to the fore. The prompt reaction of the US Federal Reserve (FED), the tendency of investors to resort to the main reserve currency in times of uncertainty and the war on the borders of the eurozone have caused the euro to fall to a 20-year low against the US dollar. The parity threshold was breached and reached the level of 0.95 EUR/USD. The above described confusion in the British financial market sent the British pound to the level of 1.07 GBP/USD. The pound continues to be weakened due to the uncertainty surrounding the economic implications of Brexit, the reverberating impact of the pandemic and the not-so-positive outlook for the British economy. The Czech crown, on the other hand, strengthened against the euro throughout the year. The independence of the central bank has allowed the Czech Republic to hold down inflation by increasing the interest rate up to 7%, bringing the Czech crown to 24.20 EUR/CZK against the euro at the end of 2022.

Outlook for 2023

The world economy ended 2022 on a slightly positive note. Instead of the expected, at least technical, recession, European countries experienced moderate growth. However, a lower base due to pandemic downturns strengthened growth, as did inflation-driven nominal GDP. The US economy is experiencing an unprecedentedly strong labour market, giving the FED the courage to continue raising interest rates. The terminal rate in the US is expected to be slightly above the 5% threshold and the ECB is heading

towards the 4% level. Inflation and increased funding costs have not materially impacted the profitability of the largest companies in 2022.

However, this may change. The impact of high rates has been delayed in the market, and record US credit card debt or a jump in funding costs may push financial assets to a repricing. The share market may see increased investor interest around the emergence of generative artificial intelligence, which may be a prominent topic in 2023. The geopolitical risks should not be underestimated, not only the current ones in the form of the war in Ukraine, but also the possible new confrontation between Iran and Israel and the growing threat of military intervention by China against Taiwan. These risks may bring unexpected market turbulence. Likewise, the ability of European economies to switch sufficiently to alternative energy sources and, ultimately, to make Europe more resilient in the future. The reopening of the Chinese economy after years of zero tolerance for Covid will bring new variables to the market. A gradual recovery in demand in the retail and corporate sectors may bring new pressure on energy prices. China is beginning to encounter structural problems in the background during the years of tremendous growth. Demographics and productivity issues are increasingly coming to the fore. This problem will not take off immediately and obviously in the next few years, but in the long term it is one of the biggest challenges the world will face, along with climate change. The hope for both problems lies in technological progress. On the other hand, 2022 has reminded us that the world may yet experience many unexpected situations that will reveal many structural problems and challenges for the world economy.

Key fund indicators

365.invest, správ. spol., a. s., manages the following funds:

Mutual fund	Date	Net assets value in EUR	Net share value in EUR
Realitný fond	31 December 2022	877 663 149,82	0,065058
KLM real estate fund	31 December 2022	30 109 055,05	0,012945
Realitný plus fond	31 December 2022	157 462 593,23	0,011297
AAA wealth fund	31 December 2022	838 111,86	0,009468
365.invest Equity FKI	31 December 2022	78 883 324,38	0,010395
365.invest Capital FKI	31 December 2022	30 595 972,49	0,01037
Fond stabilných výnosov	31 December 2022	182 690 473,22	0,049739
Konzervatívny flexibilný fond	31 December 2022	47 803 708,65	1,190246
Zmiešaný komfortný fond	31 December 2022	305 526,85	0,009621
Eko fond	31 December 2022	27 456 444,00	0,008684
Blockchain fond	31 December 2022	3 205 661,54	0,006647
Cryptomix fond	31 December 2022	96 214,82	0,004402

Key financial indicators

Financial indicators

Balance sheet (in thousands of EUR)	31 December 2022	31 December 2021	31 December 2020
Assets	18 920	18 290	16 376
Liabilities	2 475	2 684	2 088
Equity	16 445	15 606	14 288
Statement of profit or loss (in thousands of EUR)	31 December 2022	31 December 2021	31 December 2020
Net fee and commission income	21 339	19 800	17 540
Operating income	21 379	19 950	17 855
Operating expenses	-3 416	-3 031	-2 414
Profit after tax	14 138	13 318	12 184

In the accounting period 2022, derivative contracts related to the development of foreign currencies (GBP, USD), the development of share indexes (European and North American) and the development of German and US government bonds were used to manage the funds’ assets.

The main objective of derivative contracts was / is mainly to hedge the interest rate, equity or currency risk to which the funds were / are exposed by investing assets in debt securities, shares or investments denominated in a currency other than the fund reference currency or effective fund investment management to generate a profit.

The Management Company calculates the total risk related to the financial derivatives to which the mutual funds are exposed as the additional risk and leverage effect generated by the use of financial derivatives, including securities containing derivatives. The Management Company manages the risk relating to the financial derivatives to which the mutual funds are exposed by identifying, measuring and monitoring that risk, using the liability method, while complying with the regulations for limiting and distributing risk in accordance with the law and the fund statutes.

Financial statements a správy audítora



Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended (“the Act on Statutory Audit”) including the Code of Ethics for an Auditor that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the following key audit matters:

Fee and commission income

The amount of fee and commission income for the year ended 31 December 2022: EUR 27 020 thousand (year ended 31 December 2021: EUR 25 856 thousand).

Refer to the financial statements notes: Note 17. Fee and commission income and Note 3 (c) Significant accounting policies and accounting methods.

Key audit matter	Our response
<p>Fee and commission income accounts for the majority of the Company’s revenues for the year ended 31 December 2022.</p> <p>Fee and commission income comprises management fees, redemption fees, entry fees and other fees and commissions. The fees are often measured by reference to the Net Assets Value (NAV) of the investment portfolios of the funds under management, and are recognized when related performance obligations are satisfied, as follows:</p> <ul style="list-style-type: none">- Management fees – over the period, when the performance obligation to provide investment management services is satisfied.- Redemption fees – at a point in time, when share certificates of the fund are returned by the investor.- Entry fees – at a point in time, when the performance obligation to issue and deliver	<p>Our audit procedures in the area, performed assisted by our own information technology (IT) and valuation specialists, included, among others:</p> <ul style="list-style-type: none">• Evaluating the design and implementation of selected internal controls relating to the measurement and recognition of fee and commission income.• Evaluating the design and implementation of selected internal controls over measurement of the NAVs of the funds under management.• Testing the design, implementation and operating effectiveness of selected internal controls over the IT systems used for processing of fee and commission income, including controls over access rights, as well as data and change management.• Tracing the fee rates applied by the Company in its measurement of the fees and



<p>share certificates of the fund to the investor is fulfilled.</p> <ul style="list-style-type: none">- We focused on this area due to the high daily volume of underlying transactions with an effect on the amount of fee and commission income, coupled with the multitude of the fee rates applied, magnitude of the amounts involved as well as judgment required in measuring underlying NAV. The integrity, completeness and accuracy of the data underlying the fee calculations is also a key area of our audit focus.	<p>related fee calculation formulas to the statutes of the funds under management.</p> <ul style="list-style-type: none">• Independently assessing NAVs of the funds’ investment portfolios by comparing these amounts to publicly available quoted prices and also obtained confirmations of the investments from custodians;• Performing a recalculation of:<ul style="list-style-type: none">o management fees - based on daily NAVs of the funds under management for the year, fee rates and calculation formulas stated in the funds’ statutes.o redemption fees - based on the volume of mutual fund certificates redeemed, derived from the system independent of the accounting function, and fee rates stated in the funds’ statutes;o entry fees - based on the volume of mutual fund certificates purchased, derived from a system independent of the accounting function, and fee rates stated in the funds’ statutes.• Comparing our calculated amounts with the amounts recognized and investigating any significant differences.• Assessing the accuracy and completeness of the revenue recognition-related disclosures against the requirements of the relevant financial reporting standards.
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Responsibilities of the Statutory Body and Those Charged with Governance for the Financial Statements

The statutory body is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Standards as adopted by the European Union, and for such internal control as the statutory body 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, the statutory body is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.



Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body;
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

Reporting on other information in the Annual Report

The statutory body is responsible for the other information. The other information comprises the information included in the Annual Report prepared in accordance with the Act No. 431/2002 Coll. on Accounting as amended ("the Act on Accounting") but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information in the Annual Report.

In connection with our audit of the financial statements, our responsibility is to read the other information in the Annual Report that we have obtained prior to the date of the auditors' report on the audit of the financial statements, and, in doing so, consider whether the other information is materially inconsistent with the audited financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Annual Report of the Company was not available to us as of the date of this auditors' report on the audit of the financial statements.

When we obtain the Annual Report, based on the work undertaken in the course of the audit of the financial statements we will express an opinion as to whether, in all material respects:

- the other information given in the Annual Report for the year ended 31 December 2022 is consistent with the financial statements prepared for the same financial year; and
- the Annual Report contains information required by the Act on Accounting.

In addition, we will report whether we have identified any material misstatement in the other information in the Annual Report in light of the knowledge and understanding of the Company and its environment that we have acquired during the course of the audit of the financial statements.

Additional requirements on the content of the auditors' report according to Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities

Appointment and approval of an auditor

We have been appointed as a statutory auditor by the statutory body of the Company on 27 April 2022 on the basis of approval by the General Meeting of the Company held on 27 April 2022. The period of our total uninterrupted engagement, including previous renewals (extensions of the period for which we were originally appointed) and reappointments as statutory auditors, is 15 years.

Consistency with the additional report to the audit committee

Our audit opinion as expressed in this report is consistent with the additional report to the supervisory board of the Company, acting as an Audit Committee, which was issued on the same date as the date of this report.



Non-audit services

No prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities were provided and we remained independent of the Company in conducting the audit.

Audit firm:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Bratislava, 10 March 2023




Responsible auditor:
Ing. Michal Maxim, FCCA
License UDVA No. 1093


Statement of financial position

365.invest, správ. spol., a. s.
Statement of financial position as at 31 December 2022

	Notes	2022 € '000	2021 € '000
Assets			
Cash and cash equivalents	6	11 518	8 381
Receivables from funds	7	2 238	2 238
Non-trading financial assets mandatorily measured at fair value through profit or loss	8	3 815	6 246
Investments in subsidiaries	9	83	-
Property, plant and equipment	10	470	560
Intangible assets	11	234	311
Deferred tax asset	12	281	273
Tax asset		6	54
Other assets	13	275	227
		18 920	18 290
Liabilities			
Tax liability		342	599
Other liabilities	14	2 133	2 085
		2 475	2 684
Equity			
Share capital	15	1 700	1 700
Reserve funds	16	347	347
Retained earnings	16	14 398	13 559
Share capital and funds		16 445	15 606
		18 920	18 290

These financial statements, which include the notes on pages 14 to 49 were approved and signed on 10 March 2023:


Ing. Gabriel Balog
Chairman of the Board of Directors


Ing. Matej Godál
Member of the Board of Directors

Statement of profit or loss

365.invest, správ. spol., a. s.
Statement of profit or loss for the year ended 31 December 2022

	Notes	2022 € '000	2021 € '000
Fee and commission income	17	27 020	25 856
Fee and commission expenses	18	<u>(5 681)</u>	<u>(6 056)</u>
Net fee and commission income		21 339	19 800
Net interest income		(10)	(11)
Net profit from financing activities	19	(19)	40
Net other income	20	<u>69</u>	<u>121</u>
Operating income		<u>21 379</u>	<u>19 950</u>
Administration costs	21	(3 118)	(2 735)
Depreciation and amortisation	10,11	<u>(298)</u>	<u>(296)</u>
Operating expenses		<u>(3 416)</u>	<u>(3 031)</u>
Net creation of impairment allowances		(3)	(5)
Profit before tax		17 960	16 914
Income tax	22	<u>(3 822)</u>	<u>(3 596)</u>
Profit after tax		<u><u>14 138</u></u>	<u><u>13 318</u></u>

The notes on pages 14 to 49 form an integral part of these financial statements.

Statement of comprehensive income

365.invest, správ. spol., a. s.
Statement of comprehensive income for the year ended 31 December 2022

	Notes	2022 € '000	2021 € '000
Profit for the period		14 138	13 318
Other comprehensive income			
Items that can be reclassified to profit or loss		-	-
Change in fair value of securities measured at fair value through other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive income for the period		14 138	13 318

The notes on pages 14 to 49 form an integral part of these financial statements.

Statement of changes in equity

365.invest, správ. spol., a. s.
Statement of changes in equity for the year ended 31 December 2022

	Share capital € '000	Revaluation differences € '000	Legal reserve fund € '000	Retained earnings € '000	Total equity € '000
Opening balance as at 1 January 2022	1 700	-	347	13 560	15 607
Total comprehensive income	-	-	-	14 138	14 138
Profit for the period 2022	-	-	-	14 138	14 138
Transactions with owners of the Company recognised in equity			-		
Dividends paid	-	-	-	(13 300)	(13 300)
Other transactions total	-	-	-	(13 300)	(13 300)
Closing balance as at 31 December 2022	1 700	-	347	14 398	16 445

	Share capital € '000	Revaluation differences € '000	Legal reserve fund € '000	Retained earnings € '000	Total equity € '000
Opening balance as at 1 January 2021	1 700	-	347	12 241	14 288
Total comprehensive income	-	-	-	13 318	13 318
Profit for the period 2021	-	-	-	13 318	13 318
Transactions with owners of the Company recognised in equity			-		
Dividends paid	-	-	-	(12 000)	(12 000)
Other transactions total	-	-	-	(12 000)	(12 000)
Closing balance as at 31 December 2021	1 700	-	347	13 560	15 606

The notes on pages 14 to 49 form an integral part of these financial statements.

Statement of cash flows

365.invest, správ. spol., a. s.
Statement of cash flows for the year ended 31 December 2022

	Notes	2022 € '000	2021 € '000
Cash flows from operating activities			
Profit before changes in operating assets and liabilities	24	18 309	17 153
Increase in receivables in funds		-	(395)
Increase in other assets		(48)	(63)
Decrease in other liabilities		(8)	445
Income tax paid		<u>(4 031)</u>	<u>(3 524)</u>
<i>Net cash flows from operating activities</i>		<u>14 222</u>	<u>13 616</u>
Cash flows from investment activities			
Purchase of property and equipment		(66)	(120)
Purchase of intangible assets		(44)	(225)
Purchase of investments		(247)	(4338)
Disposal of investments		<u>2 572</u>	<u>7 391</u>
<i>Net cash flows from investment activities</i>		<u>2 215</u>	<u>2 708</u>
Cash flows from financing activities			
Dividends paid		<u>(13 300)</u>	<u>(12 000)</u>
<i>Net cash flows from financing activities</i>		<u>(13 300)</u>	<u>(12 000)</u>
Net change in cash and cash equivalents		3 137	4 324
Cash and cash equivalents at the beginning of the year		<u>8 381</u>	<u>4 057</u>
Cash and cash equivalents at the end of the year	6	<u>11 518</u>	<u>8 381</u>

The notes on pages 14 to 49 form an integral part of these financial statements.

Notes to the financial statements

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

1. General information

365.invest, správ. spol., a.s. (“Management Company” or “Company”) was established on 3 January 1995 in the Slovak Republic by the Memorandum of Association dated 11 October 1994 and is registered in the Commercial Register of the District Court of Bratislava I, Section: Sa, Insert No. 896/B.

Until 2 July 2022, the Company business name was PRVÁ PENZIJNÁ SPRÁVCOVSKÁ SPOLOČNOSŤ POŠTOVEJ BANKY, správ. spol., a. s.

Identification number („IČO“), tax identification number („DIČ“) and VAT identification number („IČ DPH“) are:

Identification number : 31 621 317
Tax identification number : 2021822243
IČ DPH: SK 7020000680

The Company is registered as a member of the VAT group of 365.bank, a. s.

The registered office of the Management Company is: Dvořákovo nábrežie 4, Bratislava 811 02

The shareholder structure as at 31 December 2022 was as follows:

Shareholder: 365.bank, a. s., Dvořákovo nábrežie 4, Bratislava, 100 % (hereinafter the „Bank“)

Shareholder structure of 365.bank, a. s.:

AS AT 31 DECEMBER 2022		Share in %
J&T FINANCE GROUP SE	Sokolovská 700/113 a , 186 00 Praha, Czech Republic	98.45%
Slovenská pošta, a. s.	Partizánska cesta 9, 975 99 Banská Bystrica, Slovak Republic	1.49%
Ministry of transport, construction and regional development of the Slovak Republic	Námestie slobody 6, 811 06 Bratislava, Slovak Republic	0.03%
UNIQA Versicherungen AG	Untere Donaustrasse 21, 1029 Viedeň, Austria	0.03%
		100.00%
AS AT 31 DECEMBER 2021		Share in %
J&T FINANCE GROUP SE	Sokolovská 700/113 a , 186 00 Praha, Czech Republic	98.45%
Slovenská pošta, a. s.	Partizánska cesta 9, 975 99 Banská Bystrica, Slovak Republic	1.49%
Ministry of transport, construction and regional development of the Slovak Republic	Námestie slobody 6, 811 06 Bratislava, Slovak Republic	0.03%
UNIQA Versicherungen AG	Untere Donaustrasse 21, 1029 Viedeň, Austria	0.03%
		100.00%

The ultimate owner of the entire group is J&T FINANCE GROUP SE, Sokolovská 700/113 a, 186 00 Praha, Czech Republic.

As at 31 December 2022, the Company owned the shares of the subsidiary INVEST 48 a. s., established on 18 May 2022 in the amount of EUR 28 thousand, INVEST 52 a. s., established on 25 May 2022 in the amount of EUR 28 thousand and INVEST 53, a.s. established on 13 July 2022 in the amount of EUR 27 thousand. These subsidiaries are insignificant to the financial situation, profit or loss and the cash flows.

The Company is not a partner with unlimited liability in other companies.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

1. General information continued

The financial statements of the Company are included in the consolidated financial statements of 365.bank, a. s., registered in the Commercial Register of the District Court of Bratislava I, Section Sa, file no. 501/B, with its registered office at Dvořákovo nábrežie 4, Bratislava and is available at its registered office.

The Bank's financial statements are included in the consolidated financial statements of J&T FINANCE GROUP SE, with its registered office at Sokolovská 700/113 a, 186 00 Praha. The consolidated financial statements are available at the registered office of J&T FINANCE GROUP SE.

Statutory body:	Board of Directors	
	Ing. Gabriel Balog	Chairman of the Board of Directors from 1 May 2021
	Ing. Juraj Bielik	Member of the Board of Directors
	Ing. Matej Godál	Member of the Board of Directors from 1 September 2022
	Mgr. Ivana Kubisová	Member of the Board of Directors until 31 August 2022
	Ing. Martin Kaňa	Chairman of the Board of Directors until 30 April 2021

Supervisory board:	Ing. Andrej Zaťko	Chairman of the Supervisory board
	Ing. Dávid Lupták, PhD	Member of the Supervisory board
	Ing. Peter Hajko	Member of the Supervisory board

Activities

The main activities of the Management Company are the management of the following mutual funds on the basis of a special permit issued in accordance with Act no. 203/2011 Coll. on collective investment in the territory of the Slovak Republic.

As at 31 December 2022, the Management Company manages 4 standard mutual funds and 8 special mutual funds:

Over the course of 2022, the names of some funds were changed. The old name of the funds is in parentheses.

Standard mutual funds:

- Fond stabilných výnosov o. p. f. – 365.invest, správ. spol., a. s. (Dlhopisový krátkodobý o.p.f. - 365.invest, správ. spol., a. s. change of name dated 8 March 2022)
- Zmiešaný komfortný o. p. f. – 365.invest, správ. spol., a. s.
- Eko o.p.f. – 365.invest, správ. spol., a. s.
- Blockchain o. p. f.– 365.invest, správ. spol., a. s.

Special mutual funds:

- Realitný o.p.f.- 365.invest, správ. spol., a. s. – public real estate fund
- Konzervatívny flexibilný fond o.p.f.- 365.invest, správ. spol., a. s. (Zmiešaný kapitálový o.p.f.- 365.invest, správ. spol., a. s. change of name dated 7 March 2022) – special fund of securities
- KLM real estate fund o.p.f. - 365.invest, správ. spol., a.s. - special qualified investors fund
- Realitný plus o.p.f.- 365.invest, správ. spol., a. s. (Realitný office o.p.f.- 365.invest, správ. spol., a. s. change of name dated 1.1.2022) - public special real estate mutual fund
- AAA wealth fund o.p.f. - 365.invest, správ. spol., a. s. - special qualified investors fund

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

1. General information continued

Special mutual funds:

- 365.invest Capital FKI o.p.f. - 365.invest, správ. spol., a. s. - special qualified investors fund
- 365 invest Equity FKI o.p.f. - 365.invest, správ. spol., a. s. - special qualified investors fund
- Cryptomix o. p.f. - 365.invest, správ. spol., a. s. - special fund of securities

Name of the fund	Net value of assets	Net value of assets
	2022 € '000	2021 € '000
Fond stabilných výnosov o.p.f	182 690	116 366
Realitný o. p. f.	877 647	885 169
J&T BOND EUR zmiešaný o.p.f. **	-	339 044
Konzervatívny flexibilný o.p.f.	47 804	69 519
J&T SELECT zmiešaný o.p.f.**	-	30 749
Fond prevratných technológií *	-	29 096
KLM real estate fund o.p.f.	30 109	18 631
Realitný plus o.p.f.	157 463	178 719
Dynamický flexibilný fond o.p.f.*	-	22 279
Dlhopisový stabilný fond o. p. f *	-	77 058
J&T PROFIT EUR zmiešaný o.p.f.**	-	17 069
AAA wealth fund o.p.f.	838	528
Zmiešaný komfortný o. p. f.	305	811
365.invest Capital FKI o.p.f.	30 596	17 025
365.invest Equity FKI o.p.f.	78 859	55 807
Eko o.p.f	27 457	2 296
Blockchain o.p.f.	3 206	8 577
Cryptomix o. p.f.	96	-
Total	1 437 070	1 868 743

* merger of mutual funds, see NBS Decisions

** transfer of management of mutual funds, see NBS Decisions

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

1. General information continued

- On 2 March 2022, effective as at 7 March 2022, an application was submitted to the National Bank of Slovakia for the prior consent to change the name of the fund from Zmiešaný aktívny o.p.f. – 365.invest, správ. spol., a. s. to Dynamický flexibilný fond o.p.f. - 365.invest, správ. spol., a. s.
- On 2 March 2022, effective as at 7 March 2022, an application was submitted to the National Bank of Slovakia for the prior consent to change the name of the fund from Zmiešaný kapitálový o.p.f. – 365.invest, správ. spol., a. s. to Konzervatívny flexibilný fond o.p.f. - 365.invest, správ. spol., a. s.
- On 7 March 2022, effective as at 8 March 2022, an application was submitted to the National Bank of Slovakia for the prior consent to merger of Dlhopisový stabilný fond o.p.f. - 365.invest, správ. spol., a. s. into Dlhopisový krátkodobý o.p.f. - 365.invest, správ. spol., a. s. Change in statute gave rise to change of the name of Dlhopisový krátkodobý o.p.f. - 365.invest, správ. spol., a. s. to Fond stabilných výnosov o.p.f. - 365.invest, správ. spol., a. s.
- On 30 March 2022, effective as at 1 April 2022, an application was submitted to the National Bank of Slovakia for the prior consent to change the name of the fund from Akciový globálny o.p.f. – 365.invest, správ. spol., a. s. to Fond prevratných technológií o.p.f. - 365.invest, správ. spol., a. s.
- On 31 March 2022, effective as at 1 April 2022, based on the decision of NBS, a permission for management of the public special fund was provided for Cryptomix o.p.f. - 365.invest, správ. spol., a. s.
- On 17 May 2022, NBS provided a prior consent to J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a.s. and management company 365.invest, správ. spol., a. s. for transfer of management of public special fond J&T SELECT zmiešaný o.p.f. - 365.invest, správ. spol., a. s. in the portfolio of 365.invest, správ. spol. ,a.s. to management company J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a. s.
- On 17 May 2022, NBS provided a prior consent to J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a. s. and management company 365.invest, správ. spol., a. s. for transfer of management of public special fond J&T PROFIT zmiešaný o.p.f. - 365.invest, správ. spol., a. s. in the portfolio of 365.invest, správ. spol., a. s.to management company J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a.s.
- On 17 May 2022, NBS provided a prior consent to J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a.s. and management company 365.invest, správ. spol., a. s. for transfer of management of public special fond J&T BOND EUR zmiešaný o.p.f. - 365.invest, správ. spol., a. s. in the portfolio of 365.invest, správ. spol., a. s.to management company J&T INVESTIČNÁ SPOLOČNOSŤ, správ. spol., a.s.
- On 14 July 2022 an application was submitted to the National Bank of Slovakia for the prior consent of the National Bank of Slovakia to the election of Ing. Matej Godál for a member of the Board of Directors. Decision entered into force on 10 August 2022.
- On 12 September 2022, an application for prior approval for the merger of open mutual funds was submitted to the National Bank of Slovakia related to Dynamický flexibilný o. p. f. - 365.invest, správ. spol., a. s., Fond prevratných technológií o. p. f. - 365.invest, správ. spol., a. s., Inovatívny o. p. f. - 365.invest, správ. spol., a. s. as the defunct funds to the successor fund Eko o. p. f. - 365.invest, správ. spol., a. s. Decision entered into force on 3 October 2022.
- On 30 September 2022 an application was submitted to the National Bank of Slovakia for the prior consent of the National Bank of Slovakia to termination of Zmiešaný komfortný o. p. f. – 365.invest, správ. spol., a. s. Decision entered into force on 1 January 2023.

The financial statements of the Management Company for the previous accounting period for the year ended 31 December 2021, were approved by the General Meeting on 27 April 2022.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

2. Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union.

These financial statements are prepared as the financial statements required by Section 17(a) of the Slovak Act on Accounting 431/2002, as amended.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis (except for financial assets measured at fair value) on an accrual basis, i.e. effects of transactions and other events are recognised are recognised at the time they occur and are reported in the financial statements in the period to which they relate.

(c) Functional and presentation currency

These financial statements are presented in euro (EUR), which is the Management Company's functional currency.

Financial information presented in euro have been rounded to the nearest thousand, unless otherwise indicated.

(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 policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is provided in notes 4 and 5.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

3. Significant accounting policies

(a) Changes in accounting policies

Accounting methods and principles were consistently applied by the Company for all accounting periods presented in these financial statements.

b) Foreign currency

Transactions denominated in foreign currencies are translated into euro at the exchange rates ruling on the date of the transaction. Monetary assets and liabilities are translated at the rates of exchange ruling as at the reporting date. Gains and losses are recognized under *Net trading income*.

(c) Fee and commission

Fee and commission income from contracts is measured based on consideration specified with the customer. The Company recognises revenue when it transfers control over a service to the customer. The following description provides information about the nature and timing of the satisfaction of the Company's performance obligation in the contracts with the funds under management.

Fee and commission income comprises management fees, fees for distribution of mutual fund certificates and termination fees.

Nature and timing of satisfaction of performance obligations, including significant payment terms:

Management fees

The management fees are earned from the funds under the Company's management and are accrued on a daily basis based on the net asset values of the funds under management ("NAV") applying the relevant fee rates from the funds' statutes. Management fees meet a definition of series of distinct services that are substantially the same and have the same pattern of transfer to the customer. The management fees for services provided by the Company represent delivery of a continuous service to the funds over the contract period with each time increment of service provided (i.e. each day) being distinct from the next. The funds consume the benefits of the services as the Company provides them and the measure of progress is the same (i.e. time lapsed). Because the series criteria are met, the Company accounts for the management fees as a single performance obligation. The Company accounts for a variable consideration only when it is highly probable that a significant reversal in the amount of the fee income will not occur. The cumulative amount of consideration from the management fee to which the Company is entitled is not constrained, because it is calculated based on the NAV and every day for standard mutual funds, on a 2-week basis for real estate funds and on a monthly basis for special funds of qualified investors. Therefore, the consideration is known on the day when the fee is calculated. Management fees are invoiced to the funds on a monthly basis and essentially remunerate the Company's management of the investment portfolios of the funds.

Fees for distribution of mutual fund certificates

Fees for distribution of mutual fund certificates are fees earned from the investors in the funds on the purchase of the mutual fund certificates. The fees are based on the number of redeemed mutual fund certificates and respective rates from the funds' statutes. They are invoiced to investors upon purchase of the mutual fund certificates.

Termination fees

Termination fees are fees for redemptions of mutual fund certificates. Termination fees are earned from the investors in the funds. The fees are based on the rates as per the fund's statutes and number of redeemed mutual fund certificates. Termination fees are invoiced upon redemption of the mutual fund certificates of the funds under management.

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Notes to the financial statements for the year ended 31 December 2022

3. Significant accounting policies continued

(c) Fee and commission continued

Revenue recognition under IFRS 15:

Management fees

Revenue from management fees is recognised over time as the services are rendered.

Fees for distribution of mutual fund certificates

Revenue related to fees for distribution of mutual fund certificates is recognised at the point in time when the transaction, i.e. the sale of fund certificate, takes place.

Termination fees

Revenue related to termination fees is recognised at the point in time when the redemption takes place.

The Company pays fees for the distribution of the open-ended mutual funds based on specific contracts mainly with Poštová banka. These are recognised on the respective distribution and termination dates of the mutual fund certificate. Fees paid are reported under ‘Fee and commission expense’.

(d) Interest income and expenses

Interest income and expenses 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 through the expected life of the 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 on initial recognition of the financial asset and liability and is not revised subsequently.

The calculation of the effective interest rate includes all fees paid or received, transaction costs and discounts or premiums which are an integral part of the effective interest rate. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or liability. Interest income and expenses on financial assets and liabilities through profit or loss are presented as part of *Interest income and expense*, and changes in the fair values are presented in *Net trading income*.

Interest income and expenses on trading assets and liabilities are treated as occasional in transactions and are reported in net profit from along with financial operations with all other changes in the fair values of trading assets and liabilities.

(e) Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes and foreign exchange differences.

(f) Dividends

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities.

(g) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement profit or loss except to the extent that it relates to items recognised directly in equity, or in other comprehensive income.

Current tax is the expected tax liability on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax liability in respect of previous years.

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Notes to the financial statements for the year ended 31 December 2022

3. Significant accounting policies continued

(g) Income tax continued

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates which are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

(h) Financial assets and liabilities

(i) Recognition

Other financial assets and liabilities (including assets and liabilities at fair value through profit or loss) are initially recognised on the trade date at which the Management Company becomes a party to the contractual provisions of the instrument at its fair.

(ii) Derecognition

The Management Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Management Company is recognised as a separate asset or liability.

The Management Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Management Company will also derecognise certain assets when it writes off balances considered uncollectible.

(iii) Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Management Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the reporting standards, or for gains and losses arising from a group of similar transactions such as in the Management Company’s trading activity.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash, unrestricted balances on bank 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 Management Company in the management of short-term commitments.

Cash and cash equivalents are recognised at nominal value in the statement of financial position.

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Notes to the financial statements for the year ended 31 December 2022

3. Significant accounting policies continued

(j) Investment in subsidiaries

Subsidiaries are investments controlled by the Company. The Company "controls" an investment if it is exposed to or entitled to variable returns on the investment and has the ability to influence those returns by its power over the investment. The Company reassesses whether it has control in case of changes in one or more elements of control. This includes the fact that the protection rights become significant and lead to the Company gaining control of the investment.

Investments in subsidiaries are recognised at cost less impairment allowances. The impairment allowance is determined using a dividend discounting model. As at 31 December 2022, the Company recognises investments in subsidiaries in the amount of EUR 83 thousand. As at 31 December 2021, the Company did not recognise any investments in subsidiaries.

(k) Classification and subsequent measurement

The Management Company classifies its financial assets in the following measurement categories:

- Amortised cost ('AC');
- Fair value through profit or loss ('FVPL');
- Fair value through other comprehensive income ('FVOCI').

The classification requirements for debt and equity instruments under IFRS 9 are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring and other financial assets.

Business model for managing the asset

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Cash flow characteristics of the asset

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Financial assets with embedded derivatives are treated as a whole when determining whether their cash flows represent only principal and interest payments.

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Notes to the financial statements for the year ended 31 December 2022

3. Significant accounting policies continued

(k) Classification and subsequent measurement continued

Based on the business model and SPPI test the Company classifies its debt instruments into one of the following measurement categories:

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent only solely payments of principal and interest, and that are not designated at FVPL, are measured at amortised cost. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation, using the effective interest rate method, of any difference between the initial amount recognised and the maturity amount. The carrying amount of these assets is adjusted by any expected credit loss allowance. Interest income from these financial assets is included in Net interest income using the effective interest rate method.

Financial assets held for trading

Financial assets that the Company acquired or incurred principally for the purpose of selling or repurchasing in the near term, or held as part of a portfolio that is managed together with achieving short-term profit or maintaining position. These assets do not meet the criteria for amortised cost or FVOCI based on Company's business model, so they are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement within Net gains/(losses) from financial transactions in the period in which it arises.

Non-trading financial assets mandatorily measured at fair value through profit or loss

Debt securities whose cash flows do not represent solely payments of principal and interest and therefore failed SPPI test are mandatorily measured at FVPL. Their measurement and subsequent recognition are the same as of financial assets held for trading.

Financial assets designated at fair value through profit or loss

Under IFRS 9, it is permitted to irrevocably designate financial assets at FVPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. The Company did not use the fair value option for any financial assets that meet the criteria for measurement at amortised cost or FVOCI.

Financial assets at fair value through other comprehensive income

Financial assets that are held both for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in Net gains/(losses) from financial transactions. Interest income from these financial assets is included in Net interest income using the effective interest method.

Unrealised gains and losses arising from changes in the fair value of financial assets are recognised in equity. If these assets are derecognised from the statement of financial position, the unrealised gain or loss recognised in equity is derecognised recognised under "Net profit or loss from financial operations" in the statement of profit or loss. Interest income from financial assets, calculated using the effective interest rate method, is reported in the statement of profit or loss under "Interest and similar income". The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income to the relevant accounting periods. The effective interest rate is the rate that exactly discounts future cash flows from the financial instrument to its present value equal to its carrying amount.

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Notes to the financial statements for the year ended 31 December 2022

3. Significant accounting policies continued

(l) Loans and advances

Loans and advances 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 future

When the Company purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date ('reverse repo or stock borrowing'), the agreement is accounted for as a loan or advance, and the underlying asset is not recognised in the Company's financial statements.

Loans and advances are initially measured at fair value plus incremental direct transaction costs and subsequently measured at their amortised cost using the effective interest method.

From 1 January 2019, the Company measures impairment allowances for loans and advances in the amount of expected credit losses (ECL) for the entire life of loans and advancement. ECLs represent an estimate of credit losses based on a weighted average of probability scenarios. The Company calculates credit losses on an individual basis as the present value of payment defaults (the difference between the contractual cash flows and the expected cash flows). ECLs are discounted using the effective interest rate applicable to the financial asset.

(m) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the cost of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as major components of property.

(ii) Subsequent costs

The cost of replacing part of an item of property is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be reliably measured. The costs of the day-to-day servicing of property 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 part of an item of tangible or intangible asset. Right-of-use assets (see below) are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and previous periods are as follows:

Furniture, fittings and other equipment	4 to 6 years, straight-line method
Vehicles	4 years, straight-line method
Software	4 years, straight-line method

Depreciation methods, useful lives and residual values are reassessed as at each reporting date.

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Notes to the financial statements for the year ended 31 December 2022

3. Significant accounting policies continued

(n) Right-of-use assets and lease liabilities

At inception of a contract, the Company assesses whether a contract is, or contains, lease under IFRS 16 . A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract is a lease or contains a lease, the Company accounts separately for the lease and non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease term is non-cancellable along with lease terms of the periods with lease renewal option if it is sufficiently certain that the lessee will exercise the option and the periods with the termination option if it is sufficiently certain that the lessee does not apply the option.

Lease payments are discounted using a capital markup. The right-of-use asset of the Company is lease of premises.

A right-of-use asset is disclosed in Note 10. *Property, plant and equipment* and lease liabilities are reported in Note 14. *Other Liabilities*. The Company presents the interest expenses on the lease liability separately from the depreciation of the right-of-use asset.

(o) Property, plant and equipment

Software

Software is stated at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over the 4–year estimated useful life of the software. Amortisation methods, useful lives and residual values are reassessed as at each reporting date.

(p) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then 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 largely are independent from other assets and groups.

Impairment losses are recognised directly in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce 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 greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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 have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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Notes to the financial statements for the year ended 31 December 2022

3. Significant accounting policies continued

(r) Provisions

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 calculated and recognised in the estimated amount of the liability.

(s) Employee benefits

(i) Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

(ii) Short-term benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be reliably estimated.

(t) standards and interpretations effective from 1 January 2022

The Company applied all effective IFRS standards and interpretations as adopted by European Union (hereinafter the „EU“) from 1 January 2022.

- *Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, Onerous Contracts – Cost of Fulfilling a Contract*

In determining costs of fulfilling a contract, the amendments require the Company to include all costs that relate directly to a contract. Paragraph 68A clarifies that the cost of fulfilling a contract comprises both: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

- *Annual Improvements to IFRS Standards 2018-2021 – Amendment to IFRS 9 Financial Instruments*

The improvements clarify that, when assessing whether an exchange of debt instruments between an existing borrower and lender are on terms that are substantially different, the fees to include together with the discounted present value of the cash flows under the new terms include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

(u) New standards and interpretations not yet adopted

As at the date of approval of the financial statements, the following standards have been issued but have not yet become effective or have not yet been adopted in the EU. The following standards and interpretations are those, in which the Company expects some effect on the disclosures, financial position, or performance at the time of their future application. The Company intends to apply these standards from the effective date.

- *Amendments to IAS 12 Income Taxes Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
The amendments narrow the scope of the initial recognition exemption (IRE) to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities.

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Notes to the financial statements for the year ended 31 December 2022

3. Significant accounting policies continued

For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. (Effective for annual periods beginning on or after 1 January 2023. Early application is permitted)

- *Amendments to IAS 1 Presentation of Financial Statements Classification of Liabilities as Current or Non-current*
Amendments to IAS 1 Presentation of Financial Statements Non-Current Liabilities with Covenants
Effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Early application is permitted. Specific transition requirements apply for companies that have early-adopted the previously issued but not yet effective 2020 amendments.

- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments*
The amendments to IAS 1 require companies to disclose their material accounting policy information rather than significant accounting policies. (Effective for annual periods beginning on or after 1 January 2023. Early application is permitted).

- *Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*
The amendments introduced a definition of ‘accounting estimates’ and included other amendments to IAS 8 clarifying how to distinguish changes in accounting policies from changes in estimates. The distinction is important as changes in accounting policies are generally applied retrospectively while changes in estimates are accounted for in the period in which the change occurs. (Effective for annual periods beginning on or after 1 January 2023. Early application is permitted).

- *Amendments to IFRS 16 Leases Liability in a Sale and Leaseback*
Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.
The amendments confirm the following:
 - on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction;
 - after initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.
 - These amendments do not change the accounting for leases other than those arising in a sale and leaseback transaction. (Effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Early application is permitted).

- *Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture*
The Amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that:
 - a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while
 - a partial gain or loss is recognised when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary.Effective date deferred indefinitely. Available for optional adoption in full IFRS financial statements. The European Commission decided to defer the endorsement indefinitely, it is unlikely that it will be endorsed by the EU in the foreseeable future)

The Company does not expect that the amendments, when initially applied, will have a material impact on its financial statements.

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Notes to the financial statements for the year ended 31 December 2022

4. Use of estimates and judgments

These statements complement the financial risk management.

Key sources of estimation uncertainty

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3 (k). For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Expected credit losses

The measurement of ECL impairment allowance for financial assets measured at amortised cost and FVOCI and financial guarantees and loan commitments is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk,
- Choosing appropriate models and assumptions for the measurement of ECL,
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL,
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The Company assesses impairment of financial assets. The measurement of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Significant judgments in applying the Management Company’s accounting policies

Significant judgments made by the Management company in applying the accounting policies include the determination of fair values and the assessment of impairment.

Receivables and other receivables

The fair value of receivables and other receivables is estimated as the present value of future cash flows discounted at the market rate ruling at the balance sheet date. For current receivables, the carrying amount is an approximation of fair value.

Financial assets and liabilities held for trading

The fair value of assets and liabilities held for trading is determined as the market price from an active market or using valuation models with market observable data.

The Management Company uses the following fair value hierarchy to determine and disclose the fair value of financial instruments:

- Level 1: Quoted market price in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data,

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Notes to the financial statements for the year ended 31 December 2022

4. Use of estimates and judgments continued

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument’s valuation. his category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial instruments by valuation techniques:

31 December 2022	Note	Level 1 € ‘000	Level 2 € ‘000	Level 3 € ‘000	Total € ‘000	Carrying amount € ‘000
Assets						
Cash and cash equivalents	6	-	11 518	-	11 518	11 518
Receivables from funds	7	-	2 238	-	2 238	2 238
Non-trading financial assets mandatorily measured at fair value through profit or loss						
	8	-	3 514	301	3 815	3 815
		-	17 270	301	17 571	17 571

31 December 2021	Note	Level 1 € ‘000	Level 2 € ‘000	Level 3 € ‘000	Total € ‘000	Carrying amount € ‘000
Assets						
Cash and cash equivalents	6	-	8 381	-	8 381	8 381
Receivables from funds	7	-	2 238	-	2 238	2 238
Non-trading financial assets mandatorily measured at fair value through profit or loss						
	8	-	3 506	2 740	6 246	6 246
		-	14 125	2 740	16 865	16 865

Non-trading financial assets mandatorily measured at fair value through profit or loss measured at level 3 in 2022 and 2021 represented investments in a real estate fund managed by the company. The value of investments in the fund depends primarily on the value of real estate, which is the estimate of an independent expert. The expert determines the value of real estate under Act no. 382/2004 Coll. on experts, interpreters and submitters and on the amendment of certain laws and in accordance with the Decree of the Ministry of Justice of the Slovak Republic no. 492/2004 Coll. on the determination of the general value of property, as amended. Each property owned by the fund is valued by an independent expert at least once every 6 months.

Level 3	2022 € ‘000	2021 € ‘000
Balance as at 1 January	2 740	1 378
Sales	(2 445)	(1 724)
Purchases		3 000
Revaluation gain	6	86
Balance as at 31 December	<u>301</u>	<u>2 740</u>

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Notes to the financial statements for the year ended 31 December 2022

5. Financial risk management

Risk management

The Management Company is exposed to and manages several types of risk, mainly: market risk, credit risk, liquidity risk, interest rate risk and operational risk.

The Board of Directors is responsible for overall risk management. In addition to legal regulations, a set of internal regulations of the company serves to eliminate risks, in particular Directive SM 14 Risk Management in the PPSS Company, Directive SM 12 Ensuring Business Continuity in PPSS, Contingency Plan for Liquidity Solutions in real estate funds and PPSS Risk Management Policy.

Regulatory requirements

The Management Company is primarily obliged to comply with the regulatory requirements of the National Bank of Slovakia pursuant to the Act no. 203/2011 Coll. on collective investment and according to NBS Measure no. 7/2011 on the management company's own resources, as amended. These include limits and restrictions on the adequacy of own resources. These requirements apply to all management companies in Slovak Republic and their compliance is determined based on reports submitted by the management company in accordance with legal accounting regulations.

Summary of these requirement is as follows:

- Initial capital of the Company is at least EUR 125 thousand.
- The Company is obliged to observe the adequacy of own funds. Own funds of the management company are appropriate under this Act, unless they are below:
 - EUR 125 thousand plus 0.02% of the value of the assets in the funds managed by the Company exceeding EUR 250,000,000, this amount is not increased when it reaches EUR 10,000,000,
 - One quarter of average general operating costs of the management company for the previous calendar year, if the management company operated for less than one year, a quarter of a value of general operating costs referred to in its business plan.
 - Company must not acquire to its property or property in the open-ended mutual fund, which manages, more than 10% of the total nominal value of shares with voting rights issued by one issuer.
 - Company may not acquire in its property or assets to the open-ended mutual fund, which manages, shares with voting rights which would enable the Company to exercise a significant influence on the management of the issuer located in the territory of the Slovak republic, or in a non-EU State.
 - The Company is required to comply with restrictions on the acquisition of significant influence in the management of the issuer established in EU Member State, provided by the law of that Member State, taking into account the property in the mutual fund, which it manages.
 - The Company must provide elimination of risk imposed on shareholders' interest of a mutual fund or its clients by the conflict of interest between the Company and its clients, between two of its clients mutually, between one of its clients and shareholders of a mutual fund or between the shareholders of mutual funds.

Capital adequacy

The Management Company duly and timely informs the National Bank of Slovakia about the amount of initial capital, own funds and their structure in accordance with NBS Measure no. 7/2011 on the management company's own resources and submits data on the adequacy of the management company's own resources pursuant to Act no. 11/2018 Coll. on collective investment, as amended.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

5. Financial risk management continued

	2022 Indicator value	2021 Indicator value
Limit of initial capital	394	455
Paid up share capital	1 700	1 700
Share premium	-	-
Retained earnings from previous years (Note 16)	260	241
Items decreasing value of own funds	(234)	(311)
Reserve fund and other funds	347	347
Capital total	2 073	1 977
Data on compliance with the limits of own funds in %	526,14	434,51

Limit of initial capital was fulfilled on 526,14% due to the higher share capital of the Company, retained earnings of previous years and the reserve fund.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Management Company provides cash loans from its own assets mainly to real estate companies whose shares are owned by a special real estate mutual fund, and only on an ad hoc basis to temporarily cover cash flow in connection with the expected refund of excessive VAT deductions. The credit risk potentially arising for the Management Company from the loans granted to real estate companies, is minimal, as the non-refund of the excess VAT deduction by the State is very unlikely; should such a situation nevertheless arise, the repayment of funds would be realised from the funds obtained by the real estate company by increasing its share capital from the funds of the special real estate mutual fund. Relevant acts on behalf of the special real estate mutual fund in accordance with § 48 paragraph 1 of Act no. 203/2011 Coll. on collective investment, as amended, is performed by the Management Company. As at 31 December 2022, the Management Company does not recognise any loans provided. Credit risk from receivables from funds is considered very low as the fund's investment policy requires investments in instruments from issuers with a higher rating and investments in highly liquid securities.

Trading assets

The Management Company minimises credit risk in securities trading by concluding transactions in accordance with the law so that the consideration is transferred in favour of the Company's assets on the principle of payment at delivery within the usual market terms.

Market risk

Market risk is often associated with global economic, political and social phenomena that have an immediate impact on the prices of individual types of assets owned by society.

In its operations, the Management Company is exposed to market risk, defined as the possibility of loss of income and own funds resulting from adverse changes in market prices affecting the value of the financial instrument. Market risk includes interest rate risk and currency risk.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

5. Financial risk management continued

Foreign exchange risk

Foreign exchange risk is the risk that the value of an investment may be affected by changes in foreign exchange rates. In 2022, the Company was not exposed to significant foreign exchange risk.

Interest rate risk

Interest rate risk lies in the negative impact of changes in interest rates on the financial market. If market interest rates change, it automatically affects prices of securities. If interest rates increase, the prices of securities decrease; on the contrary, if interest rates decrease, the prices of securities increase. These changes have a significant impact on both the issuer of the securities and the investor.

As at 31 December 2022, the remaining maturity of assets and liabilities sensitive to changes in interest rates is less than 12 months, therefore the resulting interest rate risk is not significant.

Interest rates also indirectly affect the income of the Management Company in connection with the valuation of funds managed by the Management Company.

Liquidity risk

As at 31 December 2022, the remaining maturity of financial assets and liabilities is shown in the following table, which represents the undiscounted cash flows in relation to their contractual maturity. The cash flows expected by the Management Company do not differ significantly from this analysis. Assets with unset fixed maturity are recognised in the "unspecified" category.

	Up to 3 months € '000	3 months to 1 year € '000	1-5 years € '000	More than 5 years € '000	Unspecified € '000	Carrying amount € '000
Assets						
Cash and cash equivalents	11 518	-	-	-	-	11 518
Receivables from funds	2 238	-	-	-	-	2 238
Non-trading financial assets mandatorily measured at fair value through profit or loss	-	-	-	-	3 815	3 815
Other assets	72	69	77	57	-	275
	<u>13 828</u>	<u>69</u>	<u>77</u>	<u>57</u>	<u>3 815</u>	<u>17 846</u>
Liabilities						
Other liabilities	1 256	451	426	-	2 133	2 133
	<u>1 256</u>	<u>451</u>	<u>426</u>	<u>-</u>	<u>2 133</u>	<u>2 133</u>

The Company does not record any overdue liabilities as at 31 December 2022.

The remaining maturity of financial assets and liabilities as at 31 December 2021 is shown in the following table, which shows the undiscounted cash flows in relation to their earliest contractual maturity.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

5. Financial risk management continued

	Up to 3 months € '000	3 months to 1 year € '000	1-5 years € '000	More than 5 years € '000	Unspecified € '000	Carrying amount € '000
Assets						
Cash and cash equivalents	8 381	-	-	-	-	8 381
Receivables from funds	2 238	-	-	-	-	2 238
Non-trading financial assets mandatorily measured at fair value through profit or loss	-	-	-	-	6 246	6 246
Other assets	65	66	46	50	-	227
	<u>10 684</u>	<u>66</u>	<u>46</u>	<u>50</u>	<u>17 092</u>	<u>17 092</u>

	Up to 3 months € '000	3 months to 1 year € '000	1-5 years € '000	More than 5 years € '000	Unspecified € '000	Carrying amount € '000
Liabilities						
Other liabilities	1 214	407	464	-	2 085	2 085
	<u>1 214</u>	<u>407</u>	<u>464</u>	<u>-</u>	<u>2 085</u>	<u>2 085</u>

As at 31 December 2021, the Company does not record any overdue liabilities.

Operational risk

Operational risk is the risk of direct or indirect loss resulting from a wide range of causes related to company processes, employees, technology and infrastructure and external factors other than credit, market and liquidity risk, such as risks arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all operations of the Company and affects all business activities. It is managed and monitored within the 365.bank, a.s. group.

The goal of the Management Company is to manage operational risk and achieve a balance between avoiding financial losses and damage to the Company's reputation and overall cost-effectiveness and avoiding control procedures that prevent initiative and creativity.

The basic goal of operational risk management in a Management Company is to mitigate or limit the occurrence of losses due to operational risk, and thus mitigate the negative impact of operational risk on the profit or loss and own funds of the Management Company.

Legal risk

Legal risk forms part of operational risk and is the loss arising from unenforceable contracts, threats of unsuccessful legal cases or verdicts with negative impact on the Management Company. In the environment of the Management Company, the risk of sanctions from regulators may be connected with reputational risk.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

5. Financial risk management continued

The legal risk management is performed by the legal department of the Company and from the methodological and systematic point of view also by the division of legal services and compliance of its parent company – 365.bank, a.s. At present, the Management Company focuses mainly on:

- legal services in preparation of new contract documentation for business relationships or modifications of the existing documentation, creation of new products and modification of the existing products, consolidation of internal regulations, updating of business terms in line with legislation changes, a system of warning signals for the management containing information on new legislation, forthcoming legislation and identified events that may be the cause of damage,
- ensuring compliance of the corporate agenda and the agenda related to the management of mutual funds, including all mandatory disclosures with applicable legislation

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

6. Cash and cash equivalents

	2022	2021
	€ '000	€ '000
Current accounts with banks	11 517	8 379
Cash on hand	<u>1</u>	<u>2</u>
	<u>11 518</u>	<u>8 381</u>

Cash and cash equivalents are at full disposal for the Company. The Company has reassessed creation of an impairment allowance for cash and cash equivalents in accordance with IFRS 9. Considering the nature of cash and cash equivalents and their amount, the Company recognised an impairment allowance in the amount of EUR 11 thousand as of 31 December2022 (2021:8 thousand EUR).

7. Receivables from funds

	2022	2021
	€ '000	€ '000
Fond stabilných výnosov o.p.f	176	69
Realitný o. p. f.	1 339	1 234
J&T BOND EUR zmiešaný o.p.f. **	-	282
Konzervatívny flexibilný o.p.f.	67	89
J&T SELECT zmiešaný o.p.f **	-	38
Fond prevratných technológií *	-	38
KLM real estate fund o.p.f.	56	35
Realitný plus o.p.f.	221	249
Dynamický flexibilný fond o.p.f *	-	28
Dlhopisový stabilný fond o. p. f *	-	65
J&T PROFIT EUR zmiešaný o.p.f.**	-	14
AAA wealth fund o.p.f.	1	-
Zmiešaný komfortný o. p. f.	1	1
365.invest Capital FKI o.p.f.	130	23
365.invest Equity FKI o.p.f.	202	58
Eko o.p.f	39	3
Blockchain o.p.f.	<u>6</u>	<u>12</u>
	<u>2 238</u>	<u>2 238</u>

* merger of mutual funds, see NBS Decisions
** transfer of management of mutual funds, see NBS Decisions

The Company has reassessed creation of an impairment allowance for receivables from funds in accordance with IFRS 9. Considering the nature of the receivables as well as their amount, the Company assessed any impairment allowance as insignificant for the financial statements as a whole and therefore it was recognised.

All receivables from funds are current. As at 31 December 2022, the Company does not record any overdue receivables. All receivables were settled after the year end.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

8. Non-trading financial assets mandatorily measured at fair value through profit or loss

	2022	2021
	€ '000	€ '000

Equity instruments

Unit trust certificate KLM real estate	301	288
Unit trust certificate Komfortný zmiešaný o.p.f.	152	158
Unit trust certificate Realitný o.p.f.	-	2 452
Unit trust certificate Blockchain o .p.f.	50	80
Unit trust certificate Fond stabilných výnosov o.p.f.	3 312	3 268
	<u>3 815</u>	<u>6 246</u>

9. Investments in subsidiaries

	2022	2021
	€ '000	€ '000
INVEST 48 a.s.	28	-
INVEST 52 a.s.	28	-
INVEST 53 a.s.	27	-
	<u>83</u>	<u>-</u>

As at 31 December 2022, the Company owned shares of the subsidiary INVEST 48 a.s., established on 18 May 2022, in the amount of EUR 28 thousand, INVEST 52 a.s., established on 25 May 2022, in the amount of EUR 28 thousand, and INVEST 53 a.s., established on 13 July 2022, in the amount of EUR 27 thousand. See point 1 of the notes.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

10. Property, plant and equipment

Property, plant and equipment owned

	Land and buildings	Furniture and office equipment	Vehicles	Low-value assets	Assets under construction	Total
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Cost						
As at 1 January 2021	627	155	81	77	-	940
Additions	-	-	-	-	146	146
Transfers	32	39	34	41	(146)	-
Disposals	-	(2)	(54)	(18)	-	(74)
As at 31 December 2021	<u>659</u>	<u>192</u>	<u>61</u>	<u>100</u>	<u>-</u>	<u>1 012</u>
As at 1 January 2022	659	192	61	100	-	1 012
Additions	22	-	-	-	66	88
Transfers	18	6	-	42	(66)	-
Disposals	-	-	-	(19)	-	(19)
As at 31 December 2022	<u>699</u>	<u>198</u>	<u>61</u>	<u>123</u>	<u>-</u>	<u>1 081</u>
Accumulated depreciation						
As at 1 January 2021	(158)	(112)	(47)	(57)	-	(374)
Charge for the period	(85)	(28)	(14)	(19)	-	(146)
Disposals	-	2	49	17	-	68
As at 31 December 2021	<u>(243)</u>	<u>(138)</u>	<u>(12)</u>	<u>(59)</u>	<u>-</u>	<u>(452)</u>
As at 1 January 2022	(243)	(138)	(12)	(59)	-	(452)
Charge for the period	(95)	(25)	(16)	(41)	-	(177)
Disposals	-	-	-	18	-	18
As at 31 December 2022	<u>(338)</u>	<u>(163)</u>	<u>(28)</u>	<u>(82)</u>	<u>-</u>	<u>(611)</u>
Net book value						
As at 31 December 2021	<u>416</u>	<u>54</u>	<u>49</u>	<u>41</u>	<u>-</u>	<u>560</u>
Net book value						
As at 31 December 2022	<u>361</u>	<u>35</u>	<u>33</u>	<u>41</u>	<u>-</u>	<u>470</u>

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

10. Property, plant and equipment continued

Of which right-of-use asset:

	Land and buildings € '000
Right-of-use assets:	
Cost	
As at 1 January 2021	547
Additions	-
Transfers	-
Disposals	-
As at 31 December 2021	547
As at 1 January 2022	547
Additions	22
Transfers	-
Disposals	-
As at 31 December 2022	569
Accumulated depreciation	
As at 1 January 2021	(142)
Charge for the year	(74)
Disposals	-
As at 31 December 2021	(216)
As at 1 January 2022	(216)
Charge for the year	(78)
Disposals	-
As at 31 December 2022	(294)
Carrying amount	
As at 31 December 2021	331
Carrying amount	
As at 31 December 2022	275

In 2022, vehicles were insured at a purchase price of EUR 61 thousand (2021: EUR 61 thousand). The vehicles were insured under compulsory contractual liability insurance and accident insurance. No lien has been established on the Company's tangible and intangible assets and the assets are at Company's full disposal.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

11. Intangible assets

	Software € '000	Acquisition € '000	Total € '000
As at 1 January 2021	1 197	2	1 199
Additions	-	223	223
Transfers	224	(225)	(1)
Disposals	-	-	-
As at 31 December 2021	1 421	-	1 421
As at 1 January 2022	1 421	-	1 421
Additions	-	44	44
Transfers	44	(44)	-
Disposals	-	-	-
As at 31 December 2022	1 465	-	1 465
Accumulated amortisation			
As at 1 January 2022	(960)	-	(960)
Charge for the period	(150)	-	(150)
Disposals	-	-	-
As at 31 December 2021	(1 110)	-	(1 110)
As at 1 January 2022	(1 110)	-	(1 110)
Charge for the period	(121)	-	(121)
Disposals	-	-	-
As at 31 December 2022	(1 231)	-	(1 231)
Net book value			
As at 31 December 2021	311	-	311
Net book value			
As at 31 December 2022	234	-	234

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

12. Deferred tax asset

Movements in deferred tax asset are as follows:

	2022	2021
	€ '000	€ '000
<i>As at 1 January</i>	273	195
Through profit or loss (Note 23)	<u>8</u>	<u>78</u>
As at 31 December	<u><u>281</u></u>	<u><u>273</u></u>

The deferred tax asset is calculated using the corporate income tax rate of 21% (2021: 21%).

The deferred tax assets and liabilities is attributable to the following:

	Assets/ (liabilities) 2022 € '000	Assets/ (liabilities) 2021 € '000
Other liabilities	273	268
Property, plant and equipment	<u>8</u>	<u>5</u>
	<u><u>281</u></u>	<u><u>273</u></u>

13. Other assets

	2022 € '000	2021 € '000
Prepaid expenses	164	138
Operating advance payments	57	50
Other debtors	53	38
Valuables/E-coupons	<u>1</u>	<u>1</u>
	<u><u>275</u></u>	<u><u>227</u></u>

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

14. Other liabilities

	2022 € '000	2021 € '000
Various creditors	1 056	1 076
Lease liabilities	284	338
Provision for holidays, accrued expenses	528	481
Liabilities to employees and health insurance companies	177	113
Social fund liability	66	52
Liabilities to state budget	<u>22</u>	<u>25</u>
	<u><u>2 133</u></u>	<u><u>2 085</u></u>

Social fund movements are as follows:

	2022 € '000	2021 € '000
As at 1 January	52	39
Creation	64	40
Drawing	<u>(50)</u>	<u>(27)</u>
As at 31 December	<u><u>66</u></u>	<u><u>52</u></u>

15. Share capital

	2022 € '000	2021 € '000
Issued and fully paid		
As at 1 January	<u>1 700</u>	<u>1 700</u>
Balance as at 31 December	<u><u>1 700</u></u>	<u><u>1 700</u></u>

As at 31 December 2022 and as at 31 December 2021, registered and paid-up share capital comprises 50 000 ordinary shares with a nominal value of EUR 34 per share. Holders of ordinary shares have the right to vote in the amount of one vote per ordinary share.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

16. Reserve funds and retained earnings

	Retained earnings € '000	Legal reserve fund € '000	Revaluation differences € '000	Total € '000
As at 1 January 2021	12 241	347	-	12 588
Dividends for 2020	(12 000)	-	-	(12 000)
Profit for the period 2021	<u>13 318</u>	<u>-</u>	<u>-</u>	<u>13 318</u>
As at 31 December2021	<u>13 559</u>	<u>347</u>	<u>-</u>	<u>13 906</u>
	Retained earnings € '000	Legal reserve fund € '000	Revaluation differences € '000	Total € '000
As at 1 January 2022	13 560	347	-	13 907
Dividends for 2021	(13 300)	-	-	(13 300)
Profit for the period 2022	<u>14 138</u>	<u>-</u>	<u>-</u>	<u>14 138</u>
As at 31 December2022	<u>14 398</u>	<u>347</u>	<u>-</u>	<u>14 745</u>

Holders of ordinary shares are entitled to dividends if they are declared.

Dividends

The sole shareholder transferred the retained earnings from previous periods to the payment of dividends in the amount of EUR 13 300 thousand (2021: EUR 12 000 thousand) which represents EUR 266 (2021: EUR 240) per share of the Management Company with a nominal value of EUR 34. The dividend was paid on 28 April 2022 (2021: 30 April 2021).

Legal reserve fund

The General Meeting did not decide on the transfer of the profit for 2021 to the legal reserve fund, as in accordance with Article 36 Section 1 of the Articles of Association of the Management Company, the reserve fund was filled and has already reached the amount of 20% of the share capital.

Proposal of profit distribution

The Board of Directors will let the shareholder decide on the payment of dividends from the profit for the year ended 31 December 2022.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

17. Fee and commission income

	2022 € '000	2021 € '000
Mutual funds management fee revenue	26 449	24 819
Entry and exit fee income	<u>571</u>	<u>1 037</u>
	<u>27 020</u>	<u>25 856</u>

The following table summarises fee and commission income from contracted funds under IFRS 15 by main types of fees:

31. 12. 2022

Name of the fund	Management fee income € '000	Entry fee income € '000	Exit fee income € '000	Total € '000
Fond stabilných výnosov o.p.f.	1 893	87	21	2 001
Realitný o. p. f.	15 428	177	183	15 788
J&T BOND EUR zmiešaný o.p.f. **	1 742	-	-	1 742
Konzervatívny flexibilný o.p.f.	864	4	11	879
J&T SELECT zmiešaný o.p.f.*	206	-	-	206
Fond prevratných technológií o. p. f. *	177	12	2	191
KLM real estate fund o.p.f.	576	-	-	576
Realitný plus fond o. p. f	2 667	4	18	2 689
Dynamický flexibilný fond o. p. f.*	263	7	9	279
Dlhopisový stabilný fond o. p. f*	183	2	2	187
J&T PROFIT EUR zmiešaný o.p.f.**	88	-	-	88
AAA wealth fund o.p.f.	6	-	-	6
Zmiešaný komfortný o. p. f.	12	-	1	13
365.invest Capital FKI o.p.f.	678	-	-	678
365.invest Equity FKI o.p.f.	1 456	-	-	1 456
Eko o.p.f	113	10	7	130
Blockchain o.p.f.	96	11	3	110
Inovatívny o.p.f.*	-	-	-	-
Cryptomix o. p.f.	1	-	-	1
	<u>26 449</u>	<u>314</u>	<u>257</u>	<u>27 020</u>

* merger of mutual funds, see NBS Decisions

** transfer of management of mutual funds, see NBS Decisions

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

17. Fee and commission income continued

31. 12. 2021

Name of the fund	Management fee income € '000	Entry fee income € '000	Exit fee income € '000	Total € '000
Dlhopisový krátkodobý o. p. f.	579	32	4	615
Realitný o. p. f.	14 053	649	127	14 829
J&T BOND EUR zmiešaný o.p.f.	3 106	-	-	3 106
Zmiešaný kapitálový o. p. f	1 032	10	6	1 048
J&T SELECT zmiešaný o.p.f	342	-	-	342
Akciový globálny o. p. f.	460	1	10	471
KLM real estate fund o.p.f.	405	-	-	405
Realitný office o. p. f	2 952	28	59	3 039
365.world o. p. f.*	5	-	-	5
Zmiešaný aktívny o. p. f.	316	26	14	356
Dlhopisový stabilný fond o. p. f	748	12	36	796
J&T PROFIT EUR zmiešaný o.p.f.	178	-	-	178
Dlhopisový dlhodobý fond o. p. f.*	243	2	1	246
AAA wealth fund o.p.f.	5	-	-	5
Zmiešaný komfortný o. p. f.	10	5	2	17
365.invest Capital FKI o.p.f.	120	-	-	120
365.invest Equity FKI o.p.f.	235	-	-	235
Eko o.p.f	6	4	-	10
Blockchain o.p.f.	23	10	-	33
	<u>24 818</u>	<u>779</u>	<u>259</u>	<u>25 856</u>

* merger of mutual funds

Management fees are acquired from funds managed by the Company and are stated in the mutual fund's articles of association as a % for the calendar year. These fees are calculated every day for standard mutual funds, on a 2-week basis for real estate funds and on a monthly basis for special funds of qualified investors, always according to the current state of the assets and their amount may change based on the management's decision.

Entry fees represent fees that are collected on the investment of shareholders who conclude a contract for an indefinite period. They are not considered a future claim and for shareholders they represent compensation for the transaction processing.

Exit fees are fees paid by shareholders who have decided for the investment payment during the period specified in the statute of the fund.

18. Fee and commission expenses

	2022 € '000	2021 € '000
Sale of mutual fund certificates commissions	(5 631)	(6 022)
Bank fees	(49)	(32)
Fees to securities dealers and market organisers	<u>(1)</u>	<u>(2)</u>
	<u>(5 681)</u>	<u>(6 056)</u>

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

19. Net loss from financing activities

	2022 € '000	2021 € '000
Net loss from transactions in foreign currencies	(1)	(1)
Net loss/ income from non-trading financial assets mandatorily measured at fair value through profit or loss	<u>(18)</u>	<u>41</u>
	<u>(19)</u>	<u>40</u>

20. Net other income

	2022 € '000	2021 € '000
Other	<u>69</u>	<u>121</u>
	<u>69</u>	<u>121</u>

21. Administration costs

	2022 € '000	2021 € '000
Wages (including bonuses)	(1 432)	(1049)
Social insurance	<u>(560)</u>	<u>(420)</u>
Personnel expenses	(1 992)	(1 469)
Operating expenses and charges	(602)	(499)
Marketing costs and advertising	(253)	(407)
Rent	(61)	(89)
Services	(59)	(43)
Other operating expenses	(53)	(148)
Other services	(45)	(23)
Audit and advisory fees	(37)	(45)
Material	<u>(16)</u>	<u>(12)</u>
	<u>(3 118)</u>	<u>(2 735)</u>

KPMG Slovensko spol. s r.o. audited the financial statements for the year ended 31 December 2022 in the amount of EUR 23 thousand (2021: EUR 21 thousand and group reporting package in the amount of EUR 4 thousand (2021: EUR 3 thousand) KPMG Slovensko spol. s r. o. did not provide other services to the Company.

As at 31 December 2022, the physical number of employees is 43, of which 10 are managers (2021: 45, of which 10 were managers), and the average number of employees (full-time equivalent) was 35 (2021: 29).

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

22. Income tax

	2022	2021
	€ '000	€ '000
<i>Recognised in the statement of profit or loss</i>		
Current tax for the period	(3 830)	(3 674)
Deferred tax (Note 12)	8	78
Income tax total	<u>(3 822)</u>	<u>(3 596)</u>

The tax is calculated using the Company's tax base in the year at rate of 21% (2021: 21%).

Reconciliation of the effective tax rate:

	Tax base	21%	Tax base	21%
	2022	2022	2021	2021
	€ '000	€ '000	€ '000	€ '000
Profit before tax	<u>17 959</u>	<u>3 771</u>	<u>16 915</u>	<u>3 552</u>
<i>Tax deductible items</i>				
Commissions paid from the previous year	(961)	(202)	(711)	(149)
Remuneration paid from the previous year	(143)	(30)	(123)	(26)
Other	<u>(56)</u>	<u>(12)</u>	<u>(79)</u>	<u>(17)</u>
<i>Non-tax expenses</i>				
Remuneration of the current year	269	57	262	55
Social fund	50	11	50	11
Unpaid commissions for the current year	954	200	961	202
Other non-tax expense	<u>165</u>	<u>35</u>	<u>214</u>	<u>45</u>
Income tax total		<u>3 830</u>		<u>3 674</u>
Effective tax rate		<u>21%</u>		<u>22%</u>

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

23. Profit before changes in operating assets and liabilities

	2022	2021
	€ '000	€ '000
Profit after tax	14 138	13 318
Adjustments for non-monetary items:		
Depreciation and amortisation	298	296
Income tax through profit or loss	3 822	3 597
Creation of impairment allowances	19	(40)
Net profit/loss from non-trading financial assets mandatorily measured at fair value through profit or loss	<u>32</u>	<u>(18)</u>
	<u>18 309</u>	<u>17 153</u>

24. Related parties transactions

Related parties are entities that have control over the Management Company or the Management Company over them, or if one party has a controlling influence over the other party in deciding on financial and operating activities. The Management Company is controlled by 365.bank, a. s.

In the ordinary course of business, the Management Company carries out various banking operations through the parent company. These transactions are concluded on commercial terms and at market rates.

(a) Shareholders

Receivables and liabilities to 365.bank, a. s. are as follows:

	2022	2021
	€ '000	€ '000
<i>Assets</i>		
Cash and cash equivalents	11 517	8 379
<i>Liabilities</i>		
Other liabilities	946	296
<i>Transactions for the year are as follows:</i>		
Other income	-	73
Fee and commission expenses	(4 148)	(3 341)
General operating expenses	(40)	(32)
Reinvoicing	(19)	(31)

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

(b) Majority shareholder associates

Receivables and liabilities to majority shareholder associates are as follows:

J&T FINANCE GROUP a.s.; J&T BANKA a.s. pobočka zahraničnej banky

	2022	2021
	€ '000	€ '000
Liabilities		
Other liabilities	4	661

Transactions for the year are as follows:

Fee and commission expenses	(1 354)	(2 474)
Other expenses	(3)	(3)

(c) Key management personnel

Receivables and liabilities to key management personnel of the Management Company or relatives and related entities with significant control are as follows:

Wages and remunerations to key personnel management in the period:

	2022	2021
	€ '000	€ '000
Short-term employee benefits	(26)	(29)
Remuneration	(229)	(172)
Royalties	(130)	(120)
	<u>(385)</u>	<u>(321)</u>

	2022	2021
	€ '000	€ '000
Liabilities		
Other liabilities	17	12

(d) Fund transactions

	2022	2021
	€ '000	€ '000
Assets		
Receivables from funds	2 238	2 238

Transactions for the year are as follows:	2022	2021
	€ '000	€ '000

Management fee income	26 449	24 819
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Transactions with mutual funds managed by the Management Company are disclosed in the various sections of these notes.

365.invest, správ. spol., a. s.
Notes to the financial statements for the year ended 31 December 2022

24. Related parties transactions continued

(e) Transactions with shareholders' subsidiaries

	2022	2021
	€ '000	€ '000
Assets		
Other assets	77	87
Liabilities		
Other liabilities	3	48
Transactions for the year are as follows:		
Fee and commission expenses	-	(15)
Net other income	22	20
General operating expenses	(141)	(161)

25. Events after the reporting date

There were no events after 31 December 2022 that would require disclosure or presentation in these financial statements.

Appendix to the Independent Auditors' report



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Translation of the Independent Auditors' Report originally prepared in Slovak language

Appendix to the Independent Auditors' Report issued on 10 March 2023 (this Appendix is issued in respect of the Annual Report)

pursuant to Article 27 (6) of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit")

**To the Shareholder, Supervisory Board and Board of Directors of
365.invest, správ. spol., a. s.**

We have audited the financial statements of 365.invest, správ. spol., a. s. (the "Company") as of 31 December 2022 presented in the accompanying Annual Report. We have issued an unmodified Independent Auditors' Report on the financial statements on 10 March 2023.

This Appendix supplements the aforementioned auditor's report solely in respect of the following information:

KPMG Slovensko spol. s r. o., slovenská spoločnosť s ručením obmedzeným a členka spoločnosti globálnej siete firm KPMG nezávislej Denskej spoločnosti prefranchizujúcej ku KPMG International Limited, súvisejcej anglickej spoločnosti s obmedzeným ručením. Všetky práva vyhradené.
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Obrazložitev: register Društva nima
Brazdarski c. 4441 Str. Vozka č. 4548
Commercial register of district court
Brazdarski c. section Str. No. 4548

©Registration number 31 348 276
Expenditure for a second auditor: 06
License number of statutory auditor: 06



Report on Other Legal and Regulatory Requirements

Reporting on other information in the Annual Report

The statutory body is responsible for the other information. The other information comprises the information included in the Annual Report prepared in accordance with the Act on Accounting but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information in the Annual Report.

In connection with our audit of the financial statements, our responsibility is to read the other information in the Annual Report that we have obtained prior to the date of the auditors' report on the audit of the financial statements, and, in doing so, consider whether the other information is materially inconsistent with the audited financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Annual Report of the Company was not available to us as of the date of the auditors' report on the audit of the financial statements.

With respect to the Annual Report, once obtained, we are required by the Act on Accounting to express an opinion on whether the other information given in the Annual Report is consistent with the financial statements prepared for the same financial year, and whether it contains information required by the Act on Accounting.

Based on the work undertaken in the course of the audit of the financial statements, in our opinion, in all material respects:

- the other information given in the Annual Report for the year ended 31 December 2022 is consistent with the financial statements prepared for the same financial year; and
- the Annual Report contains information required by the Act on Accounting.

In addition to this, in light of the knowledge of the Company and its environment obtained in the course of the audit of the financial statements, we are required by the Act on Accounting to report if we have identified material misstatements in the other information in the Annual Report. We have nothing to report in this respect.



Audit firm:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Michal Maxim, FCCA
License UDVA No. 1093

Bratislava, 17 April 2023

