

Transparency Report

for the year ended
31 December 2023

PricewaterhouseCoopers Slovensko, s.r.o.

pwc

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Message from leadership

Welcome to our 2023 Transparency report

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 151 countries with more than 364,000 people who are committed to delivering quality in assurance, advisory and tax services. We are committed to driving a strong culture of quality and excellence that is core to our purpose.

PwC's global strategy, The New Equation, which responds to fundamental changes in the world, including technological disruption, climate change and fractured geopolitics. The New Equation focuses on two interconnected needs that clients face: to build trust, which has never been more important, nor more difficult, and to deliver sustained outcomes in an environment where competition and the risk of disruption are more intense than ever and societal expectations have never been greater.

As part of The New Equation strategy the PwC network is making an incremental US $3bn investment in quality. This includes a $1bn investment in a five-year programme to deliver a next generation audit ecosystem - human-led, techpowered and data-driven. It will enable us to make continuous improvements to audit quality by further standardising, simplifying, centralising and automating our audit work, transforming the experience for our stakeholders and our people.



Message from leadership

PwC's approach to building trust is designed to meet rising expectations of transparency, accountability and stakeholder engagement. It combines expertise in audit, tax and compliance activities with a drive to expand specialist capabilities in areas such as cyber security, data privacy, ESG and AI. It also recognises the importance of quality - and that reporting and compliance represent just one link in a chain that includes organisational culture, executive mindset, aligned standards, certified professionals, stringent controls, tailored technologies and appropriate governance.

Similar to building trust, delivering sustained outcomes requires us to work in an integrated way. Instead of taking a traditional technology-driven approach to transformation, PwC focuses on the outcomes that our efforts are seeking to achieve. To deliver the agreed outcomes, we then mobilise our expertise in areas including – among many others – strategy, digital and cloud services, value creation, people and organisation, tax, sustainability reporting, deals, business recovery services, legal and compliance.

Our new strategy builds on our ongoing commitment to quality.

We have prepared this Transparency Report, in respect of the financial year ended 31 December 2023, in accordance with the requirements of Article 13 of the EU Regulation No. 537/2014 and Article 7(1)(e) of the Act No. 423/2015 Coll. on Statutory Audit and on amendments and supplements to Act No. 431/2002 Coll. on Accounting, as amended.



Martin Gallovič

Country Managing Partner

Bratislava, 30 April 2024



Message from leadership

A message from our Assurance Leader

The feedback from society is clear - there is a significant trust deficit with our institutions today. Government, business, markets, gatekeepers, media, etc. How can Trust be rebuilt given the ever advancing effects of technology on society and individuals?

As leaders in our profession, we take our public mandate seriously. The public accounting profession was established to provide trust, today in our Assurance practice, Trust lies at the heart of everything we do at PwC. It's fundamental to fulfilling our firm's purpose. One of the ways we build trust is by being transparent.

As auditors, we are acutely aware of the most important Trust driver: the quality of our external audits. That's why we're pleased to present our Transparency Report for the year ended 31 December 2023. The purpose of this report is to give a glimpse as to how we maintain quality in our audits. The report describes our policies, systems and processes for ensuring quality, the results of key quality monitoring programs and reviews, and the way we build a culture of quality at every level of the firm. It details the companies we performed audits for and the total revenue from our audit and non-audit work.

Broadening the definition of audit quality

Over time the complexity of commerce has driven a more complex financial accounting model, which in turn has required more complex audits and skills. In the near future, ESG and the demands from society will also require companies to report this important information and external verification. How we define audit and therefore audit quality continues to expand. We welcome the public conversations that arise as a result of transparency about audit quality. We believe there are many factors that contribute to a quality audit, therefore to get a balanced picture of audit quality in Central & Eastern Europe ("CEE") stakeholders need to see a range of measures.

Continuing the discussion on audit quality

Our audit business is fundamental to our strategy and brand. We continue to invest in continuous improvement in audit quality through new systems and technology, risk processes and learning and development for our people. I'm proud of the role we're playing in opening up discussion about audit quality in Slovakia.

Our ultimate goal is that our stakeholders consider that we have obtained reasonable assurance in all audit areas. We are driving a quality improvement plan aimed at achieving this goal.



Martin Gallovič

Assurance Leader for Slovakia

Bratislava, 30 April 2024



Year in review

Partner and staff survey

73%
of our staff and partners participated in our Global People Survey.

76%
of the respondents believe they are encouraged to deliver high quality audits

Our system of quality management

Number of hours spent on monitoring for CEE in total

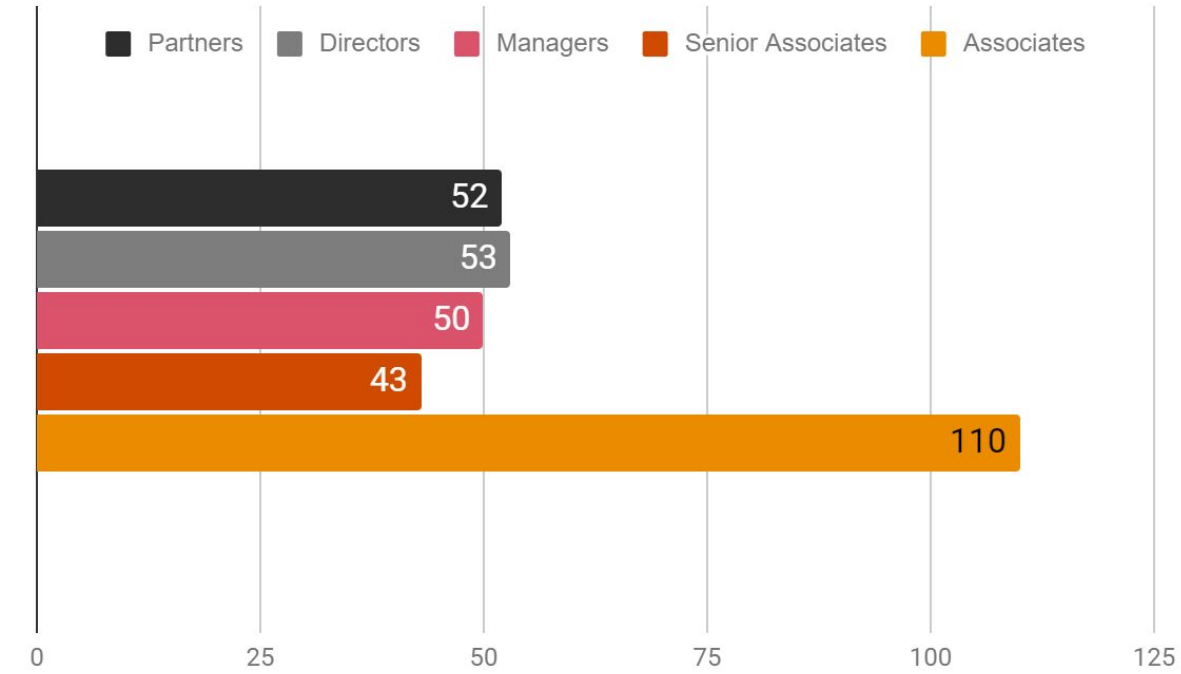
9,750 hours for CEE Region
219 hours for territory (on average)

16 findings
Quality findings identified and remediated (or in remediation process)

Experience of our Partners

Partners' average years of experience at PwC

22 years



Auditing and accounting training hours

Number of hours of auditing and accounting training mandated by PwC annually

Real time reviews

Number of audit engagements included in the real time review program

10 audit engagements

0 significant findings

Assurance Training FY23

Training hours achieved by partners and staff

11 875	17 718	10 079
online	classroom	ACCA

Total hours completed:
39 672

Assurance Training FY22

Training hours achieved by partners and staff

13 040	16 920	7 463
online	classroom	ACCA

Total hours completed:
37 423

Year in review

Average annual hours worked in excess of 40 hours per week by level

FY23 overtime hours by level

1 090	2 290	9 906	7 596
Partners	Managers	Senior Associates	Associates

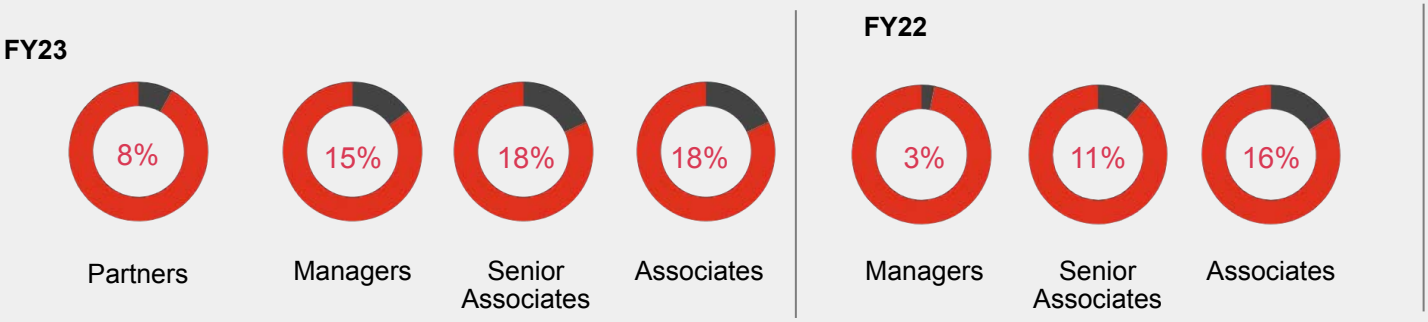
FY22 overtime hours by level

1 517	3 206	12 169	4 292
Partners	Managers	Senior Associates	Associates

Leveraged ratio for audit team members of audit-related work

			FY23			FY22			FY21			FY20		
Partners	to	Manager	1	to	4,8	1	to	4,9	1	to	5,4	1	to	9,5
Manager	to	Staff	1	to	4,4	1	to	4,6	1	to	4,4	1	to	3,6
Partners	to	Staff	1	to	21	1	to	22,8	1	to	23,9	1	to	34,7

Average fluctuation rate by staff level



Technical support

1 to 6.2

The CEE ratio of partners serving in technical support roles to the total number of audit partners

Use of Service Delivery Centers

6,3%

Percentage of audit hours performed by Service Delivery Centers

Use of Competence Centers

15,3%

Percentage of audit hours performed by Competence Centers

Our approach to quality


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Our approach to quality

A specific focus on audit quality across the Network

The PwC Network's Assurance QMSE framework

Delivering high-quality work is at the heart of what we do at PwC; it is what our stakeholders rightly expect of us

To deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders, the PwC network has established the Quality Management for Service Excellence (QMSE) framework which integrates quality management into how each firm runs its business and manages risk.

This framework introduces an overall quality objective that is supported by a series of underlying quality management objectives and each firm's system of quality management (SoQM) should be designed and operated so that the overall quality objective, which includes meeting the objectives of ISQM 1 is achieved with reasonable assurance.

The International Standard on Quality Management 1 (ISQM 1)

ISQM 1 became effective 15 December 2022 and required all firms performing audits or review of financial statements, or other assurance or related service engagements to have designed and implemented a SoQM to meet the requirements of the standard. The PwC Network's Assurance QMSE framework was designed to enable our firms to meet the requirements of ISQM 1. This includes design and implementation of the SoQM to comply with ISQM 1 to meet the effective date and evaluation of the SoQM under the standard by 15 December 2023.

Overall quality objective

To have the necessary capabilities in our organisation and to deploy our people to consistently use our methodologies, processes and technology to deliver services in an effective and efficient manner to fulfil the expectations of our clients and other stakeholders.

Integrated and aligned in the right way

The quality objectives focus on having the necessary capabilities and to deploy our people consistently using our intellectual and technological resources to deliver audits in an effective and efficient manner that fulfils the expectations of our clients and stakeholders.

To help us achieve these objectives, the PwC network invests significant resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a programme of continuous innovation and investment in our technology. The PwC network's Global Assurance Quality (GAQ) organisation aims to support PwC firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that each firm tailors to reflect our individual circumstances. Each firm is responsible for utilising the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

The Quality Management Process

The achievement of these objectives is supported by a quality management process (QMP) established by our firm and Assurance leadership, business process owners, and partners and staff. This quality management process includes:

- identifying risks to achieving the quality objectives
- designing and implementing responses to the assessed quality risks
- monitoring the design and operating effectiveness of the policies and procedures through the use of process integrated monitoring activities such as real-time assurance as well as appropriate Assurance quality indicators
- continuously improving the system of quality management when areas for improvement are identified by performing root cause analyses and implementing remedial actions and
- establishing a quality-related recognition and accountability framework to be used in appraisals, remuneration, and career progression decisions

This involves the integrated use of Assurance Quality Indicators to aim to **predict** quality issues, Real Time Assurance to aim to **prevent** quality issues, Root Cause Analysis to **learn** from quality issues and a Recognition and Accountability Framework to reinforce quality behaviours, culture and actions.

The key factors that impacted our system of quality management

Our system of quality management (SoQM) must be designed, implemented and operating on an ongoing basis to achieve the quality objectives.This ongoing process includes monitoring, evaluating, assessing, reporting, and being responsive to changes in quality risks, driven by the firm's internal and external environment. This is our Quality Management Process (QMP). Our focus on quality management is therefore not to apply prescribed rules but rather to design and implement risk responses which are fit for purpose to manage the risks we identify in our own risk assessment and achieve the quality objective taking into consideration the conditions, events, circumstances, actions and/or inactions that may impact our SoQM.

The past several years have seen unprecedented challenges and our firm's SoQM under the QMSE framework has helped us navigate and react to the impact that identified factors had on our ability to achieve the overall assurance quality objective - to deliver quality audit engagements.

Our SoQM involves a dynamic risk assessment process that takes and analyses the information about these conditions, events, circumstances, actions or inactions which may result in:

- New or changing quality risks to achieving one or more of the quality objectives
- Changes to the risk assessment of existing quality risks
- Changes to the design of the firm's SoQM, including the risk responses

The CEE Regional Approach

PwC CEE operates on a regional basis and consequently there is a significant regional management over processes, controls and systems. These are supplemented by local policies and procedures that address local risks and the implementation of regional requirements. Local leadership has reviewed and assessed both the CEE regional and local territory components of the SoQM.

2023 key factors impacting our SoQM

This year, we have seen various factors impact our SoQM but in particular, some of the more meaningful conditions, events, circumstances actions and/or inactions that have necessitated changes to our SoQM include:

- The adoption of ISQM 1 and the incremental associated stress on the assessment of systems and service providers was substantial. This required the use of our Risk Assurance specialists to augment the QMSE team;
- Some of the central CEE functions were previously staffed in Russia (in the previous year). With the exit of the Russian Firm from the Network this meant that people were redeployed to fill any gaps. This was assessed and planned for prior to the exit of the aforementioned firm.



Management's Statement on the effectiveness of internal quality control system functioning

The PwC Network undertakes periodic reviews to evaluate certain elements of PwC firms' systems of quality management. The Network also looks at the PwC firm leadership's own assessment of the effectiveness of their system of quality management and their determination of whether the overall quality objective has been achieved.

During the year ended 31 December 2023, our own monitoring and evaluation of our SoQM under the requirements of ISQM 1 and the PwC Network's periodic reviews, identified deficiencies in our SoQM related to testing of IT-related controls, adoption of certain elements of ISQM 1 and documentation of monitoring activities.

As of 31 December 2023 those deficiencies had been remediated and based on our evaluation as of the date of publishing this Transparency Report, our system of quality management provides the firm with reasonable assurance that the objectives of the system of quality management are being achieved.



Last Quality Assurance Review

The most recent external quality assurance review carried out in compliance with Article 26 of the Regulation 537/2014 by the Audit Oversight Authority (UDVA) has started on 23 October 2023 with expected completion on 30 April 2024.

According to the Article 35(4)(e) of the Act No. 423/2015, the regulatory inspection of audit firm are performed every 3 years.

PwC Slovakia continues to be registered to conduct statutory audit work in Slovak republic.

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Our culture and values

Definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies. An important part of our ability to deliver against this quality definition is building a culture across a network of 364,000 people, including 362 people in Slovakia. This culture of quality emphasises that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

Measurement and transparency

For all our businesses, each PwC firm – as part of the agreement by which they are members of the PwC network – is required to have in place a comprehensive system of quality management (SoQM); to annually complete a SoQM performance assessment; and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As the services that our network provides change and develop, and the needs and expectations of our stakeholders also change, the PwC network is continually reviewing and updating the scale, scope and operations of our PwC firms' systems of quality management and investing in programmes to enhance the quality of the services that the PwC network provides.



Our firm's commitment to quality

Leadership and tone at the top

Our purpose and values are the foundation of our success. Our purpose is to build trust in society and solve important problems, and our values help us deliver on that purpose. Our purpose reflects 'why' we do what we do, and our strategy provides us with the 'what' we do. 'How' we deliver our purpose and strategy is driven by our culture, values and behaviours. This forms the foundation of our system of quality management and permeates how we operate, including guiding our leadership actions, and how we build trust in what matters - how we do business, with each other and in our communities.

Trust in what matters

Today companies are judged on far more than financial outcomes. A company's performance in areas like ESG, cybersecurity, and more can affect its reputation, staff retention, access to capital, and ultimately enterprise value.

That's why we're evolving our assurance offering to provide confidence not just in companies' financial statements but in their impact on people and the planet as well.

We call this 'trust in what matters.' This includes issues that are important to a company and its wider stakeholders. We apply rigorous standards to analyse companies' performance on issues such as climate and diversity. This helps companies demonstrate their progress, enabling these firms to build trust, enhance their corporate reputations, and grow enterprise value.

We encourage our clients to understand what matters to their stakeholders, and we deliver assured information about the company's performance on these measures. We believe that if it needs to be trusted, it needs to be assured. High-quality assurance heightens accountability and trust while giving companies a robust basis for tracking and improving their performance.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

- Act with integrity
- Make a difference
- Care
- Work together
- Reimagine the possible



Audit Quality Measures

- Employee survey results or Global People Survey: People Engagement Index scores
- Global People Survey: Quality Behaviour Index scores

Aim to Predict: Assurance Quality Indicators

We have identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim to predict quality issues. This quality risk analysis is an essential part of our QMSE, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.

Ethics, independence and objectivity

Ethics

At PwC, we adhere to the fundamental principles of ethics set out in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code), which are:

i. Integrity – to be straightforward and honest in all professional and business relationships.

ii. Objectivity – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.

iii. Professional Competence and Due Care – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.

iv. Confidentiality – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.

v. Professional Behaviour – to comply with relevant laws and regulations and avoid any action that discredits the profession.

Our network standards applicable to all network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements.

All Partners and staff undertake annual mandatory training, as well as submit annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff uphold and comply with the standards developed by the PwC network and leadership in PwC Slovakia monitors compliance with these obligations.



In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, PwC Slovakia has adopted the PwC network standards which include a Code of Conduct, and related policies that clearly describe the behaviours expected of our Partners and other professionals-behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal-to do the right thing.

Upon hiring or admittance, all staff and Partners of PwC Slovakia are provided with the PwC Global Code of Conduct. They are expected to live by the values expressed in the Code in the course of their professional careers at our firm and have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. In addition every partner and staff are required to complete new hire training, which covers the ethics and compliance network standards, including ethics and the Code of Conduct.

PwC has implemented ethics helpline for the reporting questions or concerns related to behaviours that are inconsistent with the Code of Conduct and related policies. Every PwC firm has a separate and secure tier of the ethics helpline for their confidential matters and investigations. The ethics helpline is also available for third parties, including clients. The ethics helpline allows our partners, staff and third parties to feel safe raising a question or concern without fear of retaliation.

The PwC Code of Conduct and the ethics helpline are available on-line for all internal and external stakeholders at https://www.pwc.com/ethics.

PwC Slovakia has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

Finally, the Organisation for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), by way of non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.





Objectivity and Independence

As auditors of financial statements and providers of other types of professional services, PwC firms and their Partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the Code, including International Independence Standards, contains minimum standards with which PwC firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

The independence requirements of the United States Securities and Exchange Commission (SEC) are, in certain instances, more restrictive than the Global Independence Policy. Given the reach of these requirements and their impact on PwC firms in the network, the Policy identifies key areas where an SEC requirement is more restrictive. Provisions that are specifically identified as applicable to SEC restricted entities must be followed in addition to the Policy in the associated paragraph.

On the CEE level we have a designated Partner (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy including managing the related independence processes and providing support to the business. The PRI is supported by a team of independence specialists. The PRI reports directly to the CEE Chief Risk Officer, a member of the CEE firm's Leadership Team.

Independence policies and practices

The PwC Global Independence Policy covers, among others, the following areas:

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g., bank accounts and loans by Partners, staff, the firm and its pension schemes;
- non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities;
- business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing of goods and services acquired in the normal course of business; and
- acceptance of new audit and assurance clients, and the subsequent acceptance of any non-assurance services to be provided to those clients.

In addition, there is a Network Risk Management Policy governing the independence requirements related to the rotation of Key Audit Partners.

These policies and processes are designed to help PwC firms comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised when changes arise such as updates to laws and regulations, including any changes to the Code or in response to operational matters.

PwC Slovakia supplements the PwC Global Independence Policy as required by Act 423/2015 Coll, where they are more restrictive than the network's policy and of the EU Audit Regulation, including the independence requirements of the United States Securities and Exchange Commission and those of the Public Company Accounting Oversight Board of the United States.

Independence-related systems and tools

As a member of the PwC network, PwC Slovakia has access to a number of systems and tools which support PwC firms and their personnel in executing and complying with our independence policies and procedures. These include:

- The Central Entity Service (CES), which contains information about corporate entities including all PwC audit clients and their related entities (including all public interest audit clients and SEC restricted entities) as well as their related securities. CES assists in determining the independence restriction status of clients of the PwC firm and those of other PwC firms before entering into a new non-audit service or business relationship. This system also feeds Independence Checkpoint and the Authorisation for Services system;
- 'Independence Checkpoint' which facilitates the pre-clearance of securities by all partners and practice managers before acquisition and is used to record their subsequent purchases and disposals. Where a PwC firm wins a new audit client or there is a change in the restriction status of a security, this system automatically informs those holding relevant securities of the requirement to sell the security where required;



- Authorisation for Services (AFS) which is a global system that facilitates communication between a non-audit services Engagement Leader and the audit Engagement Leader, regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the service;
- Joint Business Relationships (JBR) which is a global system used to clear joint business relationships from an independence perspective. JBR is used to facilitate PwC firms' compliance with JBR requirements for new and existing joint business relationships. It assists independence specialists in gathering information to assess, from an independence perspective, the permissibility of proposed joint business relationships and in monitoring the continued permissibility of previously approved existing joint business relationships; and
- Global Breaches Reporting System which is designed to be used to report any breaches of external auditor independence regulations (e.g., those set by regulation or professional requirements) where the breach has cross-border implications (e.g., where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code.

PwC Slovakia also has a number of Slovak-specific systems which include:

- A rotation tracking system which monitors compliance with PwC Slovakia audit rotation policies for the member firm, Engagement Leaders, other Key Audit Partners involved in an audit.

Rotation of Key Audit Partners and staff

In respect of an audit of a Public Interest entity, an individual shall not be a Key Audit Partner (KAP) for more than 5 years. After such time, the individual shall not be a member of the audit engagement team or be a KAP for the client for 3 years. During that period, the individual shall not participate in the audit of the entity, provide quality control for the engagement, consult with the engagement team or the client regarding technical or industry-specific issues, transactions or events or otherwise directly influence the outcome of the engagement. The same policy applies to client assigned qualified statutory auditor. The Member Firm established an appropriate gradual rotation mechanism with regard to the most senior personnel involved in the statutory audit, including at least the persons who are registered as statutory auditors. The gradual rotation mechanism applies in phases on the basis of individuals rather than of the entire engagement team.

Independence training and confirmations

PwC CEE provides all Partners and practice staff with annual and on-going training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services]. Partners and staff receive computer-based training on firm's independence policy and related topics. Additionally, face-to-face training is delivered to members of the practise on an as-needed basis by CEE's independence specialists and risk and quality teams.

All Partners and practice staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the firm's independence policy, including their own personal independence. In addition, all Partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by engagement level confirmations for all people working on audit engagements.

Independence monitoring and disciplinary policy

CEE is responsible for monitoring the effectiveness of its quality control system in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, we perform:

- Compliance testing of independence controls and processes;
- Personal independence compliance testing of a random selection of, at a minimum, partners and practice managers as a means of monitoring compliance with independence policies; and
- An annual assessment of the PwC firm's adherence with the PwC network's standard relating to independence.

The results of PwC Slovakia monitoring and testing are reported to the firm's management through the AQI process.

CEE has disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.



This would include discussion with the client's audit committee regarding the nature of a breach, an evaluation of the impact of the breach on the independence of the PwC firm and the engagement team and the need for actions or safeguards to maintain objectivity. Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in PwC Slovakia systems and processes and for additional guidance and training.

Management's statement concerning independence practices and review

The Management Board of PwC Slovakia declares that the procedures for ensuring independence are consistent with applicable regulations.

The last internal review of independence compliance was carried out on a region-wide basis on PricewaterhouseCoopers CEE and was concluded in May 2023.

Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society. We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary.

The policies and processes we have in place emphasise risk and quality considerations such that financial and operational priorities do not lead to inappropriate judgements about whether to accept or continue a client relationship.

Client and Engagement Acceptance and Continuance

PwC Slovakia has a process in place to identify acceptable clients based on the PwC network's proprietary decision support systems for audit client acceptance and retention (called Acceptance and Continuance). Acceptance and Continuance facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management. More specifically, this system enables:

Engagement teams:

- To document their consideration of matters required by professional standards related to acceptance and continuance;
- To identify and document issues or risk factors and their resolution, for example through consultation by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement; and
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

PwC firms (including PwC firm leadership and risk management):

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements;
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio; and
- To understand the methodology, basis and minimum considerations all other member firms in the network have applied in assessing audit acceptance and continuance.

Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high quality culture. It holds Partners including non-Partner Engagement Leaders accountable for quality behaviours and quality outcomes beyond compliance. Our RAF considers and addresses the following key elements:

- Quality outcomes: We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC network and our firm's standards and policies
- Behaviours: We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objective
- Interventions/recognition: We have put in place interventions and recognition that promotes and reinforces positive behaviours and drives a culture of quality
- Consequences/reward: We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objectives



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Audit Quality Measures

- Average staff fluctuation rate
- Partner and manager hours in relation to total engagement hours
- Measure of project management/phasing of the audit, for example, actual utilisation in relation to planned and actual to budgeted hours at period end

People strategy

Our people strategy was developed in support of our broader business strategy, The New Equation. We are focused on being the world's leading developer of talent and enabling our people with greater agility and confidence in a rapidly changing world. Specific focus areas include creating a resilient foundation for times of change through supporting the well-being of our people and enabling effective delivery; developing inclusive leaders for a shifting world; and enabling our workforce for today's realities and tomorrow's possibilities.

Our people

Inclusion and diversity

At PwC, we're committed to being a leading organisation for inclusion and of belonging with our people, clients, and external stakeholders and a leading employee destination for diverse talent . We are focused on ensuring our ways of working embrace diversity and fostering an inclusive environment in which our people are comfortable bringing their whole selves to work and feel that they belong and can reach their full potential. As demonstrated through our core values of Care and Work Together, we strive to more deeply understand and empathise with different backgrounds, perspectives and experiences. We know that when people from different backgrounds and with different points of view work together, we create the most value for our clients, our people, and society.

Recruitment

PwC Slovakia aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behaviour-based questions built from The PwC Professional framework, assessment of academic records, and background checks. Across the firm in FY23, we recruited 112 new people, including 74 university graduates (inc. interns).

Team selection, experience and supervision

Our audit engagements are staffed based on expertise, capabilities and years of experience. Engagement Leaders determine the extent of direction, supervision and review of junior staff.

Feedback and continuous development

Our team members obtain feedback on their overall performance, including factors related to audit quality, such as technical knowledge, auditing skills and professional scepticism. Audit quality is an important factor in performance evaluation and career progression decisions for both our Partners and staff. Feedback on performance and progression is collected via our Snapshot tool, a simple, mobile-enabled technology. We also use Workday to give and receive upward and peer feedback. Ongoing feedback conversations help our people grow and learn faster, adapt to new and complex environments, and bring the best to our clients and firm.

Career progression

PwC Slovakia uses The PwC Professional, our global career progression framework, which sets out clear expectations at all staff levels across five key dimensions. The framework underpins all elements of career development and helps our people develop into well-rounded professionals and leaders with the capabilities and confidence to produce high-quality work, deliver an efficient and effective experience for our clients, execute our strategy, and support our brand. Our annual performance cycle is supported by continuous feedback conversations and regular check-ins with the individual's Team Leader to discuss their development, progression and performance.

Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent. The redesign of our graduate entry positions is expected to ease retention challenges over time.

Global People Survey

Each PwC firm participates in an annual Global People Survey, administered across the network to all of our partners and staff. PwC Slovakia is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback.

Our people

The PwC Professional

The PwC Professional supports the development and career progression of our staff by providing a single set of expectations across all lines of service, geographies, and roles; outlining the capabilities needed to thrive as purpose-led and values-driven leaders at every level.

Professional Development

We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, classroom, virtual classroom and on-demand learning, and on-the-job real time coaching/development. Our flexible training portfolio facilitates personalised learning with access to a variety of educational materials, including webcasts, podcasts, articles, videos, and courses.

Achieving a professional credential supports our firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualised path to promotion and support them in prioritising and managing their time more effectively when preparing for professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.

Continuing education

We, and other PwC firms, are committed to delivering quality assurance services around the world. To maximise consistency in the network the formal curriculum, developed at the Network level, provides access to training materials covering the PwC audit approach and tools-this includes updates on auditing standards and their implications, as well as areas of audit risk and areas of focus for quality improvement. This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, virtual classroom, and on-the-job support.

The curriculum supports our primary training objective of audit quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curriculum allows us to select, based on local needs, when we will deliver the training. Our Learning & Education leader then considers what additional training is appropriate – formal and/or informal – to address any additional specific local needs.

Continuing Education of Statutory Auditors

The Management Board of PwC Slovakia declares that our Statutory Auditors are fully involved in the firm's continuing education programme. In addition to participation in on-going internally designed training our statutory auditors are required by law to take part in the regular local technical updates.

Statutory Auditors are required to attend at least 120 hours of training during a three year cycle and attend at least 20 hours of training every calendar year. Each Statutory Auditor is required to complete at least 10 hours in a calendar year for trainings related to Ethics and ISA, 30 hours during a three year cycle.

Our local L&D department is responsible for ensuring the participation of staff and Partners in learning activities and keeping relevant records.

Audit Quality Measures

- Average training hours per audit professional
- Mandatory training attendance

Our training investment in people

Assurance Training FY23

Training hours achieved by Partners and staff

11 875	17 718	10 079
online	classroom	ACCA

FY23 Total hours completed:

39 672

Assurance Training FY22

Training hours achieved by Partners and staff

13 040	16 920	7 463
online	classroom	ACCA

FY22 Total hours completed:

37 423

Mandatory training attendance

100%

of Partners and staff have completed all mandatory training attendance in FY23

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The quality and effectiveness of audit is critical to all of our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying audit methodology, the technology we use, and in making the right amount of time and resources available. We pay close attention to the internal indicators and processes that routinely monitor the effectiveness of our risk and quality processes, and provide timely information about the quality of our audit work and any areas for improvement.

Our tools

As a member of the PwC network, PwC Slovakia has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs) or PCAOB Standards (Public Company Accounting Oversight Board of the United States), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA / PCAOB requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.

Tools and technologies to support our audit

Our technology

Aura, our global audit documentation platform, is used across the PwC network. Aura helps drive how we build and execute our audit plans by supporting teams in applying our methodology effectively, by creating transparent linkage between risks, required procedures, controls and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance and substantive testing. Real time dashboards show teams audit progress and the impact of scoping decisions more quickly.

Connect Audit Manager streamlines, standardises and automates group and component teams coordination for multi-location and statutory/regulatory audits. It provides a single digital platform to see all outbound and inbound work and digitises the entire coordination process which facilitates greater transparency, compliance and quality for complex multi-location audits.

Count, which facilitates the end-to-end process for observing inventory counts, allows our engagement teams to create and manage count procedures, counters to record results directly onto their mobile device or tablet and engagement teams to export final results into Aura.

PwC Confirmations, our global, secure, web-based confirmation platform providing a guided experience to preparing, sending, monitoring and receiving electronic and paper responses for our auditors and third-party confirmers as well as a dashboard view to assist in status updates. The Confirmer portal allows confirmers to easily navigate and provide responses.

Halo Platform enables our engagement teams to manage all data extractions, executions and storage for all applications through one central location, allowing our engagement teams to monitor the status of data uploads and use the acquired client data for multiple applications during the audit.

Connect is our collaborative platform that allows clients to quickly and securely share audit documents and deliverables. Connect also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified through the audit for more immediate attention and resolution. Clients are also able to see audit adjustments, control deficiencies, and statutory audit progress for all locations- in real time.

Halo, our data auditing tools, address large volumes of data, analysing whole populations to improve risk assessment, analysis and testing. For example, Halo for Journals enables the identification of relevant journals based on defined criteria making it easier for engagement teams to explore and visualise the data to identify client journal entries to analyse and start the testing process.

Klik, CEE data auditing tool, supplementing Halo for Journals with identification of relevant journals and visualisation of results for further analysis and supporting revenue CAATs (Computer Assisted Audit Techniques).

Our next generation audit

As part of our commitment to building trust and delivering sustained outcomes, the PwC network is investing in a multi-year effort to deliver a new global audit platform to power our next generation audit, ultimately replacing our legacy technologies such as Aura and Connect. By exploring and investing in new technologies and redefining underlying audit processes, PwC will further standardise, simplify, centralise, and automate our audit work. PwC's investment will accelerate ongoing innovation and enable us to respond to changing stakeholders' needs while taking advantage of emerging technologies, providing a transformed audit experience focusing on continuous quality enhancement. PwC's vision for NGA is to provide efficient, robust and independent assurance and audit insights across financial and non-financial information, helping to build trust in what matters to our stakeholders. As PwC gains momentum around the next generation audit programme, we will continue to release new capabilities on an ongoing basis to enhance quality and the overall audit experience.

Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of these audit technologies. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we have guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, including consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their supervision and review responsibilities as part of the normal course of the audit.

Confidentiality and information security

Confidentiality and information security are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings, and it may also adversely impact our reputation. We take the protection of confidential and personal data very seriously.

Our focus on our clients requires a holistic and collaborative approach to reducing security, privacy and confidentiality risks with significant investment in appropriate controls and monitoring to embed an effective three lines of defence model. This model has enabled us to strengthen our information security organisation, align to industry good practice and improve our internal control frameworks.

Data Privacy

The firm maintains a robust and consistent approach to the management of all personal data, with everyone in our organisation having a role to play in safeguarding personal data. We have build on our extensive GDPR compliance programme, and are committed to embedding good data management practices across our business.

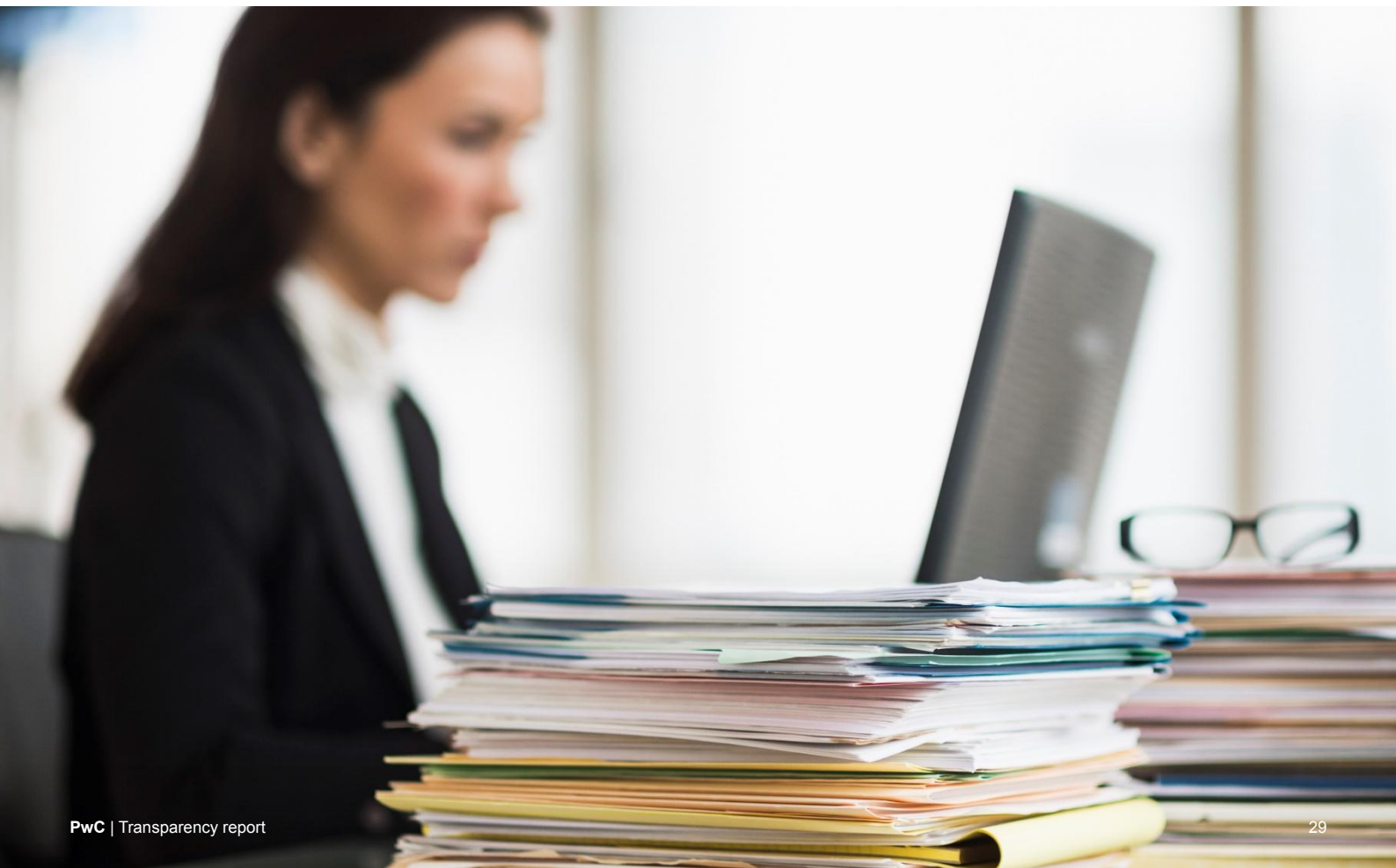
Information Security

Information Security is a high priority for the PwC network. PwC firms are accountable to their people, clients, suppliers, and other stakeholders to protect information that is entrusted to them.

Failure to protect information could potentially harm the individuals whose information PwC firms hold, lead PwC firms to suffer regulatory sanctions or other financial losses, and impact the PwC reputation and brand. The Information Security Policy (ISP) outlines the minimum security requirements with which every PwC firm must comply.

PwC Slovakia compliance with the ISP is measured through quarterly data-driven assessments as a well as a yearly evidence based assessment for each PwC firm.

Deviations that result from the ISP assessment are prioritised for remediation per timelines agreed with firm leadership.



Supporting engagement performance



Evolving delivery model

We continue to evolve the way we deliver our services so our people give our clients an even better experience, further enhance the quality of what we do and create economic capacity to invest in the future. We use delivery centres to streamline, standardise, automate, and centralise portions of the audit.



Direction, coaching and supervision

Engagement Leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior members of the team, coach the team and maintain audit quality. Teams utilise Aura which has capabilities to effectively monitor the progress of the engagement to make sure that all work has been completed and reviewed by relevant individuals, including the Engagement Leader.



Consultation culture

Consultation is key to ensuring audit quality. We have formal protocols about mandatory consultation, in the pursuit of quality. For example, our engagement teams consult with appropriate groups in areas such as taxation, risk, valuation, actuarial and other specialities as well as individuals within our regional Risk & Quality function.



Risk and Quality – Technical function

The risk and quality management includes specialists in accounting, auditing and financial reporting. These professionals play a vital role in maintaining and updating our policies in these areas by keeping track of new accounting and auditing laws and disseminating this information to employees.



Assurance Quality Partner (AQP) network

Our AQP network comprises of Partners and professionals who help audit teams design effective and efficient audit approaches and reinforce key learnings points from audit training and guidance. Our AQPs contribute to market and industry group meetings focused on audit quality topics and provide advice on auditing matters through review of certain aspects of selected audit engagements before those audits are completed.



Differences of opinion

Protocols exist to resolve the situations where a difference of opinion arises between the Engagement Leader and either the EQCR, another Assurance Partner or central functions such as the Accounting Consulting Services. These include the use of technical panels consisting of Partners independent of the engagement.



Engagement Quality Control Reviewer (EQCR)

Audit engagements of PIEs are assigned a EQCR as part of the firm's system of quality management as required by professional standards and local regulations. These Partners, who have the necessary experience and technical knowledge, are involved in the most critical aspects of the audit. For example, they may advise on matters of firm independence, risks of material financial statement misstatement and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issue.

Monitoring


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Audit Quality Measures

- Total number of ECRs
- Number of ECRs rated as Compliant, Compliant with Improvement Required, Non-Compliant
- ECRs rated as Compliant, Compliant with Improvement Required, Non-Compliant related to total number of ECRs (%)
- Financial statement restatements involving PIE audits due to material errors
- Frequency and impact of accounting errors (that may not result in restatements)

Monitoring of Assurance quality

We recognise that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the leadership of PwC Slovakia. This includes the design and operation of an effective System of Quality Management (SoQM) that is responsive to our specific risks to delivering quality audit engagements, using the network's QMSE framework.

The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to fulfil the valid expectations of our clients and other stakeholders.

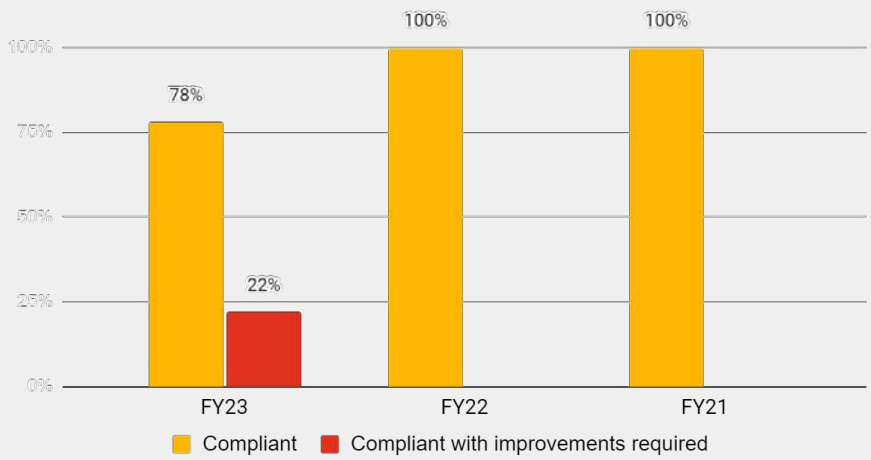
Our firm's monitoring includes an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit, non-audit assurance and related services engagements are performed in compliance with laws, regulations and professional standards (also referred to as our ongoing monitoring). This includes the use of Real Time Assurance.

Aim to Prevent: Real Time Assurance

We have developed a Real Time Quality Assurance (RTA) programme designed to provide preventative monitoring that helps coach and support engagement teams get the 'right work' completed in real-time, during the audit.

In addition to the ongoing monitoring noted above, our monitoring also encompasses a periodic assessment of our SoQM which includes the review of completed engagements (Engagement Quality Reviews - EQR) as well as periodic monitoring of our SoQM by an objective team within our firm. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM. EQRs are performed under a network-wide inspection programme based on professional standards and PwC audit methodology.

Audit engagement inspections – internal



Restatements

0

Number of financial statement restatements involving PIE audits due to material errors

EQRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorised to sign audit, non-audit assurance or related services reports. The review assesses whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. Each signer is reviewed at least once every five years, unless a more frequent review is required based on the profile of that signer's client engagements.

Reviews are led by experienced Assurance Partners, supported by objective teams of Partners, Directors, Senior Managers and other specialists. EQR reviewers may be sourced from other member firms if needed to provide appropriate expertise or objectivity. Review teams receive training to support them in fulfilling their responsibilities, and utilise a range of checklists and tools developed at the network level when conducting their inspection procedures. The network inspection team supports review teams by monitoring the consistent application of guidance on classification of engagement findings and engagement assessments across the network.

Additionally, the PwC Network undertakes periodic reviews to evaluate certain elements of PwC firms' systems of quality management. The Network also looks at the PwC Slovakia leadership's own assessment of the effectiveness of their system of quality management and their determination of whether the overall quality objective has been achieved.

The inspections results are reported to our firm's leadership who are responsible for analysing the results of the inspections along with the findings identified from all sources of information and implementing remedial actions as necessary. In situations where adverse quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible Partner or our firm's Assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm's Recognition and Accountability Framework.

Assurance Partners of our firm receive information on the results of the network inspection program designed for their use in assessing the scope of audit work they determine needs to be performed and their reliance on work performed by PwC firms in connection with their audit of a client's consolidated financial statements.

Learn: Root cause Analysis

We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses are to understand what our findings tell us about our SoQM and to identify how our firm can provide the best possible environment for our engagement teams to deliver a quality audit. We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, audits both with and without deficiencies—whether identified through our own internal inspections process or through external inspections and other inputs such as our Global People Survey and financial statement restatements and accounting errors—to help identify possible distinctions and learning opportunities.

For individual audits, an objective team of reviewers identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews, and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

In addition, the data compiled for audits both with and without engagement-level findings is compared and contrasted to identify whether certain factors appear to correlate to audit quality.

Our goal is to understand how quality audits may differ from those with engagement-level findings, and to use these learnings to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practice. We believe these analyses contribute significantly to the continuing effectiveness of our quality management.

Our Root Cause analyses are conducted for not only the result of external (primarily regulatory, if applicable in the given year) and internal review of completed audited. We also perform root cause analysis on what matters are noted in real time assurance and our testing of our System of Quality Management. Assurance leadership is then responsible for updating guidance, communication, training etc to eliminate such matters taking place in the future.



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PricewaterhouseCoopers International Limited

Firms in the PwC network are members in, or have other connections to PwCIL, an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to act as a coordinating entity for PwC firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, PwCIL coordinates the development and implementation of policies and initiatives to achieve a common and coordinated approach amongst individual PwC firms where appropriate. PwC firms of PwCIL can use the PwC name and draw on the resources and methodologies of the PwC network. In addition, PwC firms may draw upon the resources of other PwC firms and/or secure the provision of professional services by other PwC firms and/or other entities. In return, PwC firms are bound to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership. A PwC firm cannot act as agent of PwCIL or any other PwC firm, cannot obligate PwCIL or any other PwC firm, and is liable only for its own acts or omissions and not those of PwCIL or any other PwC firm. Similarly, PwCIL cannot act as an agent of any PwC firm, cannot obligate any PwC firm, and is liable only for its own acts or omissions. PwCIL has no right or ability to control any PwC firm's exercise of professional judgement.

The governance bodies of PwCIL are:

- **Global Board**, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of 18 members. One is appointed as external, independent director, and the other 17 Board members are elected by Partners from all PwC firms around the world every four years.
- **Network Leadership Team**, which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council**, which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- **Global Leadership Team**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from PwC firms to coordinate activities across all areas of our business.

The CEE Chief Executive Officer Adam Krasoń represents the firm in the Strategy Council and maintains our relationships with the Network Leadership Team.

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Legal structure and ownership of the PwC Slovakia

PwC Slovakia is a limited liability company registered in the Commercial Register of the Slovak Republic. The ultimate beneficiaries of this entity are the Partners in the PricewaterhouseCoopers member firms. PwC Slovakia is a member of PricewaterhouseCoopers International Limited.

The table below lists its shareholders and their share capital and possession of controlling votes.

2023	Share in the registered capital		Voting rights
	In EUR	%	%
PricewaterhouseCoopers Eastern Europe B.V. (country of incorporation: The Netherlands)	26,556	66.66	39.00
PricewaterhouseCoopers Polska spólka z organiczona odpowiedzialnościa Audyt spólka komandytowa (country of incorporation: Poland)	6,639	16.67	51.00
PRICEWATERHOUSECOOPERS podjetje za revizijo in drugefinančno računovodoske storitve, d.o.o. (country of incorporation: Slovenia)	6,639	16.67	10.00
Total	39,834	100.00	100.00

PwC Slovakia cooperates with other Central and Eastern European PwC Firms to provide services to local and mutual international clients operating in our region. This cooperation is organised through a regional management team which, in addition to ensuring the adherence of these regional firms to the policies and procedures of PwC International, enables resource sharing, the enforcement of risk management policies and quality standards.

Each national PwC firm also has its own management structure in place, in accordance with relevant legal and operational requirements. This legal structure and network arrangement gives each member firm the flexibility and autonomy to respond quickly and effectively to conditions in its local market. It also reflects the fact that regulatory authorities in some countries grant the right to practise as auditors to nationally based firms in which locally qualified professional auditors (or in the European Union a combination of auditors and or EU audit firms) have at least a majority ownership and control.

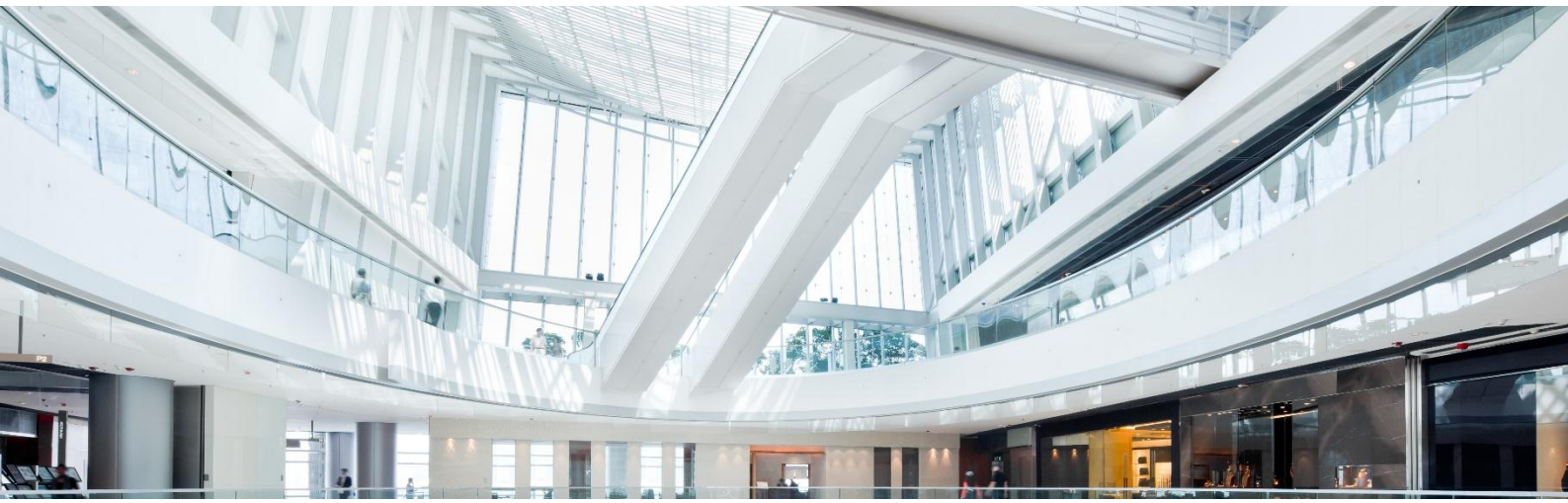
Governance structure of the PwC Slovakia

Within the Central & Eastern European grouping of PwC Firms which includes 27 national territories, a matrix system of management is operated. Each Partner votes in a 4 yearly election of a PwC CEE Chief Executive Officer who appoints a Regional Management Board, including representatives from geography and business lines and Operational Leaders. This Management Board is responsible for setting broad business objectives and ensuring compliance with PwC International policies.

Across geographical lines the policy and business objectives of each principal business line (Assurance, Tax & Legal and Advisory) are set by the business line management team.

Oversight of the Regional Management Board on behalf of the Partners is carried out by an elected regional Partner Council, which approves key policies and decisions which affect Partners and the firm.

PwC Slovakia is managed by a Management Board, which consists of 4 managing executives appointed by the General Meeting of Shareholders. The managing executives are responsible for company management and its legal representation.



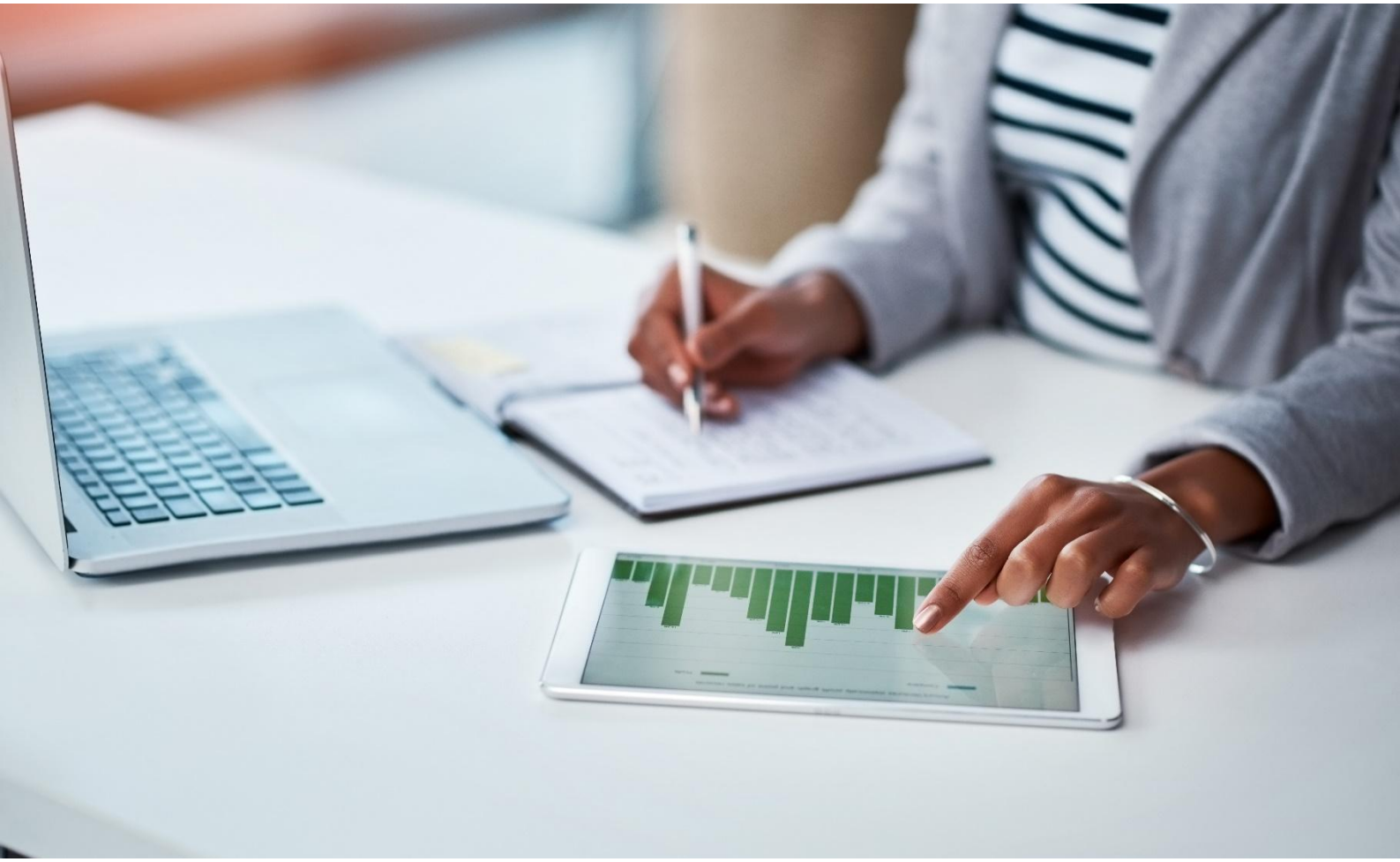
Partners remuneration

Partners are remunerated out of the profits of the firm and are personally responsible for funding pensions and other benefits such as medical care.The Partner evaluation and compensation process is fully compliant with the independence requirements of the IESBA Code of Ethics for Professional Accountants which disallows a Partner to be assessed or rewarded for selling non-assurance services to own audit clients. A Partner's remuneration is based on the Partner's contribution to the firm during the year and following the completion of the annual audits for the national firms. The allocation is reviewed and approved by the CEE Partner Council. Each Partner's remuneration is based on their responsibility with equity units being allocated on the basis of a matrix which primarily takes account of the Partner's current role within the firm. There is also a variable (Performance element), reflecting how a Partner and the teams they work with perform in a given year.

This is determined by assessing a Partner's achievements against an individually tailored balanced scorecard of objectives based on the Partner's role. These objectives include the realisation of the firm's audit quality standards and absolute adherence to our integrity and independence regulations.



Financial Information
for the year ended 31 December 2023



Revenues (unaudited)	In ths. EUR
Statutory audits of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity;	4 432
Statutory audits of annual and consolidated financial statements of other entities	4 841
Total audit fees	**9 272**
Permitted non-audit services to audited entities	24 062
Non-audit services to other entities	8 619
Total Revenues	**41 954**



Appendix 1

List of Public Interest Entities audited

Appendix 1



List of Public Interest Entities audited during the year ended 31 December 2023

Allianz - Slovenská dôchodková správcovská spoločnosť, a.s.

Allianz - Slovenská poisťovňa, a.s.

Asset Management Slovenskej sporiteľne, správ. spol., a.s.

Atradius Crédito y Caución S.A. de Seguros y Reaseguros, pobočka poisťovne z iného členského štátu

BNP Paribas Cardif Poisťovňa, a.s.

Colonnade Insurance S.A., pobočka poisťovne z iného členského štátu

Československá obchodná banka, a.s.

ČSOB Poisťovňa, a.s.

ČSOB Stavebná sporitel'na a.s.

Erste Asset Management GmbH, pobočka Slovenská republika

HB REAVIS Finance SK IX s. r. o.

HB REAVIS Finance SK VIII s. r. o.

HDI Versicherung AG pobočka poisťovne z iného členského štátu

KBC Asset Management NV, pobočka zahraničnej správcovskej spoločnosti

Prvá stavebná sporiteľňa, a. s.

Slovenská sporiteľňa, a.s.

SLSP Social Finance, s.r.o.

UNIQA d.d.s., a.s.

UNIQA d.s.s., a.s.

UNIQA investiční společnost, a.s., organizačná zložka Slovensko

UNIQA pojišťovna, a.s., pobočka poisťovne z iného členského štátu

Wüstenrot poisťovňa, a.s.

Wüstenrot stavebná sporiteľňa, a.s.



Appendix 2

PwC network firms

Appendix 2

Total turnover achieved by statutory auditors and audit firms from EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements is approximately **2.8 billion** Euros. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2023.

The table below provides the name of each statutory auditor operating as a sole practitioner or audit firm that is a member of PwC network from EU or EEA Member States as at 30 June 2023 and the countries in which each statutory auditor operating as a sole practitioner or audit firm that is a member of PwC network is qualified as a statutory auditor or has his, her or its registered office, central administration or principal place of business.

Member State	Name of firm
Austria	PwC Wirtschaftsprüfung GmbH, Wien
Austria	PwC Wirtschaftsprüfungs- und Steuerberatungsgesellschaft GmbH, Linz
Austria	PwC Tax & Audit Services Wirtschaftsprüfung und Steuerberatung GmbH, Graz
Austria	PwC Österreich GmbH, Wien
Belgium	PwC Bedrijfsrevisoren bv/Reviseurs d'enterprises srl
Bulgaria	PricewaterhouseCoopers Audit OOD
Croatia	PricewaterhouseCoopers d.o.o
Croatia	PricewaterhouseCoopers Savjetovanje d.o.o
Cyprus	PricewaterhouseCoopers Limited
Czech Republic	PricewaterhouseCoopers Audit s.r.o.
Denmark	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Estonia	AS PricewaterhouseCoopers
Finland	PricewaterhouseCoopers Oy
France	PricewaterhouseCoopers Audit
France	PricewaterhouseCoopers Entreprises
France	PricewaterhouseCoopers France

Appendix 2

Member State	Name of firm
France	M. Antoine Priollaud
Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Germany	Wibera WPG AG
Greece	PricewaterhouseCoopers Auditing Company SA
Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.
Iceland	PricewaterhouseCoopers ehf
Ireland	PricewaterhouseCoopers
Italy	PricewaterhouseCoopers Spa
Latvia	PricewaterhouseCoopers SIA
Liechtenstein	PricewaterhouseCoopers GmbH, Ruggell
Lithuania	PricewaterhouseCoopers UAB
Luxembourg	PricewaterhouseCoopers, Société coopérative
Malta	PricewaterhouseCoopers
Netherlands	PricewaterhouseCoopers Accountants N.V.
Norway	PricewaterhouseCoopers AS
Poland	PricewaterhouseCoopers Polska sp. z. o.o.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.
Portugal	PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda
Romania	PricewaterhouseCoopers Audit S.R.L.
Slovakia	PricewaterhouseCoopers Slovensko, s.r.o.
Slovenia	PricewaterhouseCoopers d.o.o.
Spain	PricewaterhouseCoopers Auditores, S.L.
Sweden	PricewaterhouseCoopers AB
Sweden	Öhrlings PricewaterhouseCoopers AB



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