



ACCOLADE HOLDING, A.S.

Interim consolidated financial statements

for the period of 6 months ended 30 June 2024

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended

<i>In thousands of CZK</i>	Notes	30 June 2024	30 June 2023
Revenues	8	1 677 311	2 060 503
Cost of revenues	8	-1 027 297	-1 248 751
Gross profit		650 014	811 752
General and administrative expenses	8	-9 198	-4 421
Personnel expenses	40,41	-158 598	-129 387
Depreciation and amortization	20,21	-34 890	-30 640
Other income/expense	8	36 169	-27 021
Net valuation result on investment property	19	353 062	-27 192
Net valuation result on equity-accounted associates	28	73 765	-41 656
Net valuation result on financial investments	30	-6 734	1 910
Profit from operations		903 590	553 345
Financial income	8	737 242	473 934
Financial expense	8	-1 116 514	-359 777
Share on income/loss of financial investments		72 123	95 067
Profit before tax		596 441	762 569
Income taxes	9,10	-20 741	-47 409
Profit for the period from continuing operations		575 700	715 160
Profit for the period from discontinued operations		8 224	0
PROFIT FOR THE PERIOD		583 924	751 160
Profit/(loss) for the year attributable to:			
Owners of the parent		628 201	649 760
Non-controlling interests		-44 277	65 400
PROFIT FOR THE PERIOD		583 924	715 160
OTHER COMPREHENSIVE INCOME		42 571	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		626 495	715 160
Total comprehensive income attributable to:			
Owners of the parent		670 772	649 760
Non-controlling interests		-49 403	65 400

The accompanying notes on pages 9 to 60 are an integral part of the interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>In thousands of CZK</i>	Notes	30 June 2024	31 December 2023
ASSETS			
CURRENT ASSETS			
Inventories	11	42 678	34 565
Trade and other receivables	13	764 786	801 568
Tax receivables	18	107 251	0
Prepayments and other current assets	18	487 702	636 086
Cash and cash equivalents	12	2 337 829	751 439
Assets classified as held for sale	22	0	635 949
TOTAL CURRENT ASSETS		3 740 246	2 859 607
NON-CURRENT ASSETS			
Investment property	19	16 959 477	14 443 425
Investment property under development	19	11 677 273	11 242 079
Property, plant and equipment	20	845 598	802 575
Intangible assets	21	208 900	209 758
Investments in equity-accounted associates	28	1 054 159	977 960
Investments at fair value through profit and loss	26,30	2 203 031	1 205 943
Trade and other receivables	13	1 806 960	1 496 634
Derivative financial instruments	39	14 965	37 594
TOTAL NON-CURRENT ASSETS		34 770 363	30 415 968
TOTAL ASSETS		38 510 609	33 275 575

The accompanying notes on pages 9 to 60 are an integral part of the interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

<i>In thousands of CZK</i>	Notes	30 June 2024	31 December 2023
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	14	5 189 445	2 097 573
Loans and borrowings	16,17	3 004 242	2 027 124
Lease liabilities	15	22 970	31 856
Employee benefits	31	35 340	33 774
Tax payables	31	49 791	37 026
Provisions	32	18 155	18 155
Liabilities associated with assets classified as held for sale	22	0	420 826
TOTAL CURRENT LIABILITIES		8 319 943	4 666 334
NON-CURRENT LIABILITIES			
Trade and other payables	14	566 094	2 503 066
Loans and borrowings	16,17	17 495 905	14 500 573
Lease liabilities	15	541 955	541 955
Deferred tax liability	10	225 063	288 456
Derivative financial liabilities		62 375	90 443
TOTAL NON-CURRENT LIABILITIES		18 891 392	17 924 493
EQUITY			
Share capital	34	2 400	2 400
Reserve fund		664	1 170
Retained earnings		10 573 359	9 882 824
Net result for the period		628 201	811 444
Equity attributable to equity holders of the parent		11 204 624	10 697 838
Non-controlling interest	29	94 650	-13 090
TOTAL EQUITY		11 299 274	10 684 748
TOTAL LIABILITIES AND EQUITY		38 510 609	33 275 575

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended

<i>In thousands of CZK</i>	Share capital	Reserve fund	Retained earnings	Total equity attributable to parent	Non-controlling interest	Total equity
Balance at 1 January 2023	2 400	1 170	10 025 474	10 029 044	-86 035	9 943 009
Comprehensive income for the period						
Profit for period	-	-	811 444	811 444	30 749	842 193
Application of hedge accounting	-	-	-144 067	-144 067	-	-144 067
Foreign currency translation differences	-	-	42 217	42 217	-	42 217
Total comprehensive income for the period	-	-	709 594	709 594	30 749	740 343
Other movements						
Change in control	-	-	-	-	41 396	41 396
Purchase of non-controlling interest	-	-	-800	-800	800	-
Dividends	-	-	-40 000	-40 000	-	-40 000
Total other movements	-	-	-40 800	-40 800	42 196	1 396
Balance at 31 December 2023	2 400	1 170	10 694 268	10 697 838	-13 090	10 684 748
Comprehensive income for the period						
Profit for period	-	-	628 201	628 201	-44 277	583 924
Application of hedge accounting	-	-	44 903	44 903	1 556	46 459
Foreign currency translation differences	-	-	-2 332	-2 332	-6 682	-9 014
Total comprehensive income for the period	-	-	670 772	670 772	-49 403	621 369
Other movements						
Disposal of non-controlling interests and change in control	-	-	-21 783	-21 783	14 941	-6 843
Change in non-controlling interests without change in control	-	-506	-141 697	-142 203	142 203	-
Purchase of non-controlling interest	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Total other movements	-	-506	-163 480	-163 986	157 143	-6 843
Balance at 30 June 2024	2 400	664	11 201 560	11 204 624	94 650	11 299 274

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended

<i>In thousands of CZK</i>	Note	30 June 2024	30 June 2023
Cash flows from operating activities			
Profit for the year before taxation		628 201	649 760
Adjustments for:			
Amortization and depreciation	20,21	34 890	30 640
Net valuation result on investment property	19	-353 062	27 192
Net valuation result on equity-accounted associates	28	-73 765	41 656
Net valuation result on financial investments	30	6 734	-1 910
Gain/loss from sale of investment property	19	-73 633	-246
Finance income	8	-74 157	-91 166
Finance expense	8	502 968	307 890
Income tax expense	9	20 741	47 409
Other non-cash operations		22 306	588 073
Operating cash flow before changes in working capital		13 023	949 538
Decrease/(increase) in trade and other receivables	13	-176 727	-694 869
Decrease/(increase) in inventories	11	-8 113	-5 612
Derivative financial assets	39	-5 439	-15 187
Increase/(decrease) in trade and other payables	14	184 582	-673 612
Increase/(decrease) in provisions and employee benefits	30,31	1 566	-73 863
Changes in net working capital		-4 131	-1 463 143
Net cash flows from operating activities		8 891	-513 605
Investing activities			
Acquisition of investment property	19	-3 785 346	-303 431
Acquisition of property, plant and equipment	20	-86 336	-76 177
Acquisition of intangible assets	21	-3 667	-16 911
Proceeds from disposal of investment property, PPE and intangible assets	19,20,21	1 550 656	17 072
Acquisition of new shares, net of cash acquired	26,28	-1 104 027	-625 325
Interest received	8	18 473	91 166
Net cash used in investing activities		-3 410 247	-913 606
Financing activities			
Dividends paid to the holders of the parent		0	0
Dividends paid to minority holders		0	0
Repayment of borrowings	16	-4 054 648	-240 570
Proceeds from loans and borrowings	16,17	8 775 474	1 479 108
Payment of lease liabilities	15	-8 886	-14 279
Interest paid on loans and borrowings	8	-352 395	-309 634
Net cash (used in)/from financing activities		4 359 545	914 625
Net increase in cash and cash equivalents		1 586 390	137 174
Cash and cash equivalents at the beginning of year		751 439	667 183
Exchange (losses)/gains on cash and cash equivalents		0	0
Cash and cash equivalents at end of the period		2 337 829	804 357

The accompanying notes on pages 9 to 60 are an integral part of the interim consolidated financial statements

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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1. GENERAL INFORMATION

The Business of the Company

The principal activities of Accolade Holding, a.s. (“the Company”) and its subsidiary companies (“the Group”) and the nature of the Group’s operations are (i) investing in rental industrial property in Central Europe, (ii) operating Brno airport. In terms of human resources, the Group is serviced by fully owned service subsidiaries and a partially owned technical supervision subsidiary. Financing activities are carried out by fully owned financing subsidiaries. For each property development project, a special fully owned subsidiary is incorporated. As the property development project is completed, leased out and rental payments start to be collected it is sold to the investment fund in which the Company has a minority stake only and its shares are revaluated in the fair value. Therefore, the financial statements of this investment fund are not consolidated within the Group.

Company structure and identification

Accolade Holding, a.s. is a joint-stock company incorporated and registered in the Czech Republic with a registered address at Sokolovská 394/17, Karlín, 186 00 Praha 8, Czech Republic. The Company was formed on 23 December 2010.

The Company prepares Interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Standards) as adopted by EU, which are available at the registered address.

The Company held following subsidiaries, directly or indirectly:

	Ownership	Established	Ownership as at 30 Jun 2024	Ownership as at 31 Dec 2023
Accolade Fund SICAV P.L.C., IN: SV322	Direct	15.07.2014	100%	100%
Accolade Capital Holding (Malta) Limited, IN: C88462	Direct	25.09.2018	100%	100%
Accolade Investment Company Limited, IN: C94600	Indirect	20.01.2020	100%	100%
Accolade, s.r.o., IN: 27851371	Direct	30.06.2008	100%	100%
Accolade Building Solutions s.r.o., IN: 04677510	Direct	29.12.2015	50%*	50%*
Accolade Energy, s.r.o., člen koncernu, IN: 07398484	Direct	24.08.2018	100%	100%
Accolade Finance CZ s.r.o., člen koncernu, IN: 06336744	Direct	09.08.2017	100%	100%
Accolade Financial Services, s.r.o., člen koncernu, IN 05637228	Direct	18.12.2016	100%	100%
Accolade Reality, s.r.o., IN: 24167452	Direct	02.07.2014	100%	100%
Parcely Býchory, s.r.o., člen koncernu IN: 03551334	Direct	07.11.2014	100%	100%
Accolade Finance Bochum, s.r.o., člen koncernu, IN: 09112375	Direct	26.04.2020	100%	100%
Accolade Finance Venlo, s.r.o., člen koncernu IN: 09945521	Direct	22.02.2021	100%	100%
Accolade Finance Valencia, s.r.o., člen koncernu IN: 17106559	Direct	03.05.2022	100%	100%
Accolade Finance Cheb, s.r.o., člen koncernu, IN: 19166044	Direct	20.03.2023	100%	100%
Accolade Finance Okrouhlá, s.r.o., člen koncernu, IN: 19718489	Direct	12.09.2023	100%	100%
Accolade Portfolio I, s.r.o., člen koncernu, IN: 09112383	Direct	26.04.2020	100%	100%
Accolade Portfolio F1, a.s., člen koncernu, IN: 09171436	Indirect	19.05.2020	100%	100%
Accolade Portfolio F2, a.s., člen koncernu, IN: 09210164	Direct	01.06.2020	100%	100%
Brno Airport Park, a.s. IN: 09407341	Indirect	11.08.2020	100%	100%
Accolade CZ VII, s.r.o., člen koncernu, IN: 01823591	Direct	26.06.2013	100%	100%
Accolade CZ XIV, s.r.o., člen koncernu, IN: 03559149	Direct	11.11.2014	100%	100%
Accolade CZ XV, s.r.o., člen koncernu, IN: 04677552	Direct	29.12.2015	100%	100%
Accolade CZ XVIII, s.r.o. člen koncernu, IN 04677595	Indirect	29.12.2015	100%	100%
Accolade CZ XIX, s.r.o., člen koncernu, IN: 04677609	Direct	29.12.2015	100%	100%
Accolade CZ XXI, s.r.o., člen koncernu, IN: 04677480	Direct	29.12.2015	100%	100%
Accolade CZ XXII, s.r.o., člen koncernu, IN: 04677498	Direct	29.12.2015	100%	100%
Accolade CZ XXVII, s.r.o., člen koncernu, IN: 05593221	Direct	24.11.2016	70%	70%

	Ownership	Established	Ownership as at 30 Jun 2024	Ownership as at 31 Dec 2023
Accolade CZ XXX, s.r.o., člen koncernu, IN: 05593271	Direct	24.11.2016	100%	100%
Accolade CZ XXXII, s.r.o., člen koncernu, IN: 05593298	Direct	24.11.2016	100%	100%
Accolade CZ XXXIII, s.r.o., člen koncernu, IN: 05593301	Indirect	24.11.2016	100%	100%
Accolade CZ XXXIV, s.r.o., člen koncernu, IN: 05593328	Direct	24.11.2016	100%	100%
Accolade CZ XXXV, s.r.o., člen koncernu, IN: 06336434	Indirect	09.08.2017	100%	100%
Accolade CZ XXXVIII, s.r.o., člen koncernu, IN: 06336671	Direct	09.08.2017	100%	100%
Accolade CZ XXXIX, s.r.o., člen koncernu, IN: 06336701	Direct	09.08.2017	100%	100%
Accolade CZ XL, s.r.o., člen koncernu, IN: 06336736	Direct	09.08.2017	100%	100%
Accolade CZ 42, s.r.o., člen koncernu, IN: 07398565	Direct	24.08.2018	100%	100%
Accolade CZ 45, s.r.o., člen koncernu, IN: 08935700	Direct	10.02.2020	100%	100%
Accolade CZ 48, s.r.o., člen koncernu, IN: 09112405	Direct	26.04.2020	100%	100%
Accolade CZ 50, s.r.o., člen koncernu, IN: 09225081	Direct	05.06.2020	71%	71%
Accolade CZ 51, s.r.o., člen koncernu, IN: 09641319	Direct	30.10.2020	63%	63%
Accolade CZ 52, s.r.o., člen koncernu, IN: 09641327	Direct	30.10.2020	100%	100%
Accolade CZ 53, s.r.o., člen koncernu, IN: 09641335	Direct	30.10.2020	100%	100%
Accolade CZ 54, s.r.o., člen koncernu, IN: 09641351	Direct	30.10.2020	100%	100%
Accolade CZ 55, s.r.o., člen koncernu, IN: 09641360	Direct	30.10.2020	100%	100%
Accolade CZ 57, s.r.o., člen koncernu IN: 10724834	Direct	31.03.2021	100%	100%
Accolade CZ 58, s.r.o., člen koncernu IN: 10733701	Direct	06.04.2021	100%	100%
Accolade CZ 59, s.r.o., člen koncernu IN: 10733728	Direct	06.04.2021	100%	100%
Accolade CZ 60, s.r.o., člen koncernu IN: 10733736	Direct	06.04.2021	100%	100%
Accolade CZ 61, s.r.o., člen koncernu IN: 11649160	Direct	08.07.2021	100%	100%
Accolade CZ 62, s.r.o., člen koncernu IN: 11649194	Direct	08.07.2021	100%	100%
Accolade CZ 63, s.r.o., člen koncernu IN: 11649208	Direct	08.07.2021	100%	100%
Accolade CZ 64, s.r.o., člen koncernu IN: 11649216	Direct	08.07.2021	100%	100%
Accolade CZ 65, s.r.o., člen koncernu IN: 11649224	Direct	08.07.2021	100%	100%
Accolade CZ 66, s.r.o., člen koncernu IN: 11986131	Direct	31.10.2021	100%	100%
Accolade CZ 67, s.r.o., člen koncernu IN: 11986140	Direct	31.10.2021	100%	100%
Accolade CZ 68, s.r.o., člen koncernu IN: 11986158	Direct	31.10.2021	50%*	50%*
Accolade CZ 69, s.r.o., člen koncernu IN: 11986166	Direct	31.10.2021	100%	100%
Accolade CZ 70, s.r.o., člen koncernu IN: 11986174	Direct	31.10.2021	100%	100%
Accolade CZ 72, s.r.o., člen koncernu IN: 14248484	Direct	13.02.2022	100%	100%
Accolade CZ 73, s.r.o., člen koncernu IN: 14248492	Direct	13.02.2022	100%	100%
Accolade CZ 74, s.r.o., člen koncernu IN: 14248506	Direct	13.02.2022	100%	100%
Accolade CZ 75, s.r.o., člen koncernu IN: 14248514	Direct	13.02.2022	100%	100%
Accolade CZ 76, s.r.o., člen koncernu IN: 17473233	Direct	29.08.2022	100%	100%
Accolade CZ 77, s.r.o., člen koncernu IN: 17473241	Direct	29.08.2022	100%	100%
Accolade CZ 78, s.r.o., člen koncernu IN: 17473250	Direct	29.08.2022	50%*	100%
Accolade Finco Czech 1, s.r.o. IN: 17473268	Direct	29.08.2022	100%	100%
Accolade CZ 80, s.r.o., člen koncernu IN: 17473276	Direct	29.08.2022	62,5%	62,5%
Accolade CZ 81, s.r.o., člen koncernu IN: 19062290	Direct	17.02.2023	100%	100%
Accolade CZ 82, s.r.o., člen koncernu IN: 19062656	Direct	17.02.2023	100%	100%
Accolade CZ 83, s.r.o., člen koncernu IN: 19062818	Direct	17.02.2023	n/a***	100%
Accolade CZ 84, s.r.o., člen koncernu IN: 19063474	Direct	17.02.2023	100%	100%

	Ownership	Established	Ownership as at 30 Jun 2024	Ownership as at 31 Dec 2023
Accolade CZ 85, s.r.o., člen koncernu IN: 19063482	Direct	17.02.2023	100%	100%
Accolade CZ 86, s.r.o. IN: 21437238	Direct	04.04.2024	100%	n/a
Accolade CZ 87, s.r.o. IN: 21437530	Direct	04.04.2024	100%	n/a
Accolade CZ 88, s.r.o. IN: 21437815	Direct	04.04.2024	100%	n/a
Accolade CZ 89, s.r.o. IN: 21437912	Direct	04.04.2024	100%	n/a
Accolade CZ 90, s.r.o. IN: 21437988	Direct	04.04.2024	100%	n/a
Accolade PP 1, s.r.o., člen koncernu, IN 27949559	Direct	18.09.2007	100%	100%
Industrial Center CR 2 s.r.o., IN: 05651689	Direct	26.11.2018	100%	100%
Industrial Center CR 4 s.r.o. IN: 06328202	Indirect	31.08.2022	100%	100%
LETIŠTĚ BRNO a.s., IN: 26237920	Indirect	08.11.2017	100%	100%
B.A.W.D.F. s.r.o., IN: 47914602	Indirect	08.11.2017	100%	100%
Moravia GSA s.r.o. IN: 07158076	Indirect	12.06.2018	55%	55%
SPV red, s. r. o., IN: 03027457	Direct	22.05.2014	100%	100%
Accolade sp. z o.o., IN: 0000755099	Direct	30.10.2018	100%	100%
Accolade Energy Poland sp. z o.o. IN: 0000902876	Direct	28.04.2021	100%	100%
Accolade PL VI, sp. z.o.o., IN: 0000636025	Direct	08.09.2016	100%	100%
Accolade PL IX, sp. z.o.o., IN: 0000696293	Direct	31.10.2017	100%	100%
Accolade PL XVII sp. z o.o., IN: 0000786062	Direct	24.06.2019	n/a**	70%
Accolade PL XVIII sp. z o.o., IN: 0000785922	Direct	07.08.2019	50%*	50%*
Accolade PL XXI sp. z o.o. IN: 0000877112	Direct	11.01.2021	70%	70%
Accolade PL XXII sp. z o.o. IN: 0000877650	Direct	14.01.2021	70%	70%
Accolade PL XXVI sp. z o.o. IN: 0000885296	Direct	24.02.2021	72%	100%
Accolade PL XXVII sp. z o.o. IN: 0000885728	Direct	25.02.2021	100%	100%
Accolade PL XXIX sp. z o.o. IN: 0000909922	Direct	20.07.2021	60%	60%
Accolade PL XXX sp. z o.o. IN: 0000909919	Direct	14.07.2021	70%	70%
Accolade PL XXXI sp. z o.o. IN: 0000910220	Direct	16.07.2021	60%	60%
Accolade PL XXXII sp. z o.o. IN: 0000910784	Direct	28.07.2021	60%	60%
Accolade PL XXXIII sp. z o.o. IN: 0000909957	Direct	28.07.2021	100%	100%
Accolade PL XXXIV sp. z o.o. IN: 0000882627	Direct	01.07.2021	100%	60%
Accolade PL XXXV sp. z o. o. IN: 0000895837	Direct	01.07.2021	50%*	50%*
Accolade PL XXXVI sp. z o.o. IN: 0000901478	Direct	24.09.2021	60%	60%
Accolade PL XXXVIII sp. z o.o. IN: 0000903440	Direct	02.11.2021	55%	55%
Accolade PL XXXIX sp. z o.o. IN: 0000943202	Direct	24.01.2022	50%*	50%*
Accolade PL XL sp. z o.o. IN: 0000941283	Direct	21.12.2021	60%	60%
Accolade PL 41 sp. z o.o. IN: 0000942972	Direct	14.03.2022	100%	100%
Accolade PL 42 sp. z o.o. IN: 0000957625	Direct	04.04.2022	63%	63%
Accolade PL 43 sp. z o.o. IN: 0000941833	Direct	18.02.2022	55%	55%
Accolade PL 44 sp. z o.o. IN: 0000934508	Direct	22.12.2021	100%	100%
PDC Industrial Center 204 sp. z o.o. IN: 0000901829	Direct	19.01.2022	100%	100%
Accolade PL 46 sp. z o.o. IN: 0000968625	Direct	05.05.2022	100%	100%
Accolade PL 47 sp. z o.o. IN: 0000970549	Direct	09.05.2022	100%	100%
Accolade PL 48 sp. z o.o. IN: 0000966789	Direct	19.04.2022	100%	100%
Accolade PL 49 sp. z o.o. IN: 0000956819	Direct	31.03.2022	55%	55%
Accolade PL 50 sp. z o.o. IN: 0000988898	Direct	24.08.2022	100%	100%

	Ownership	Established	Ownership as at 30 Jun 2024	Ownership as at 31 Dec 2023
Accolade PL 51 sp. z o.o. IN: 0000984035	Direct	25.07.2022	100%	100%
Accolade PL 52 sp. z o.o. IN: 0000992880	Direct	19.09.2022	100%	100%
Accolade SK II, s.r.o. IN: 53779487	Direct	15.05.2021	n/a**	100%
Accolade SK III, s.r.o. IN: 54175283	Direct	07.06.2022	100%	100%
Accolade SK IV, s.r.o. IN: 54679141	Direct	16.06.2022	100%	100%
Accolade SK V, s.r.o. IN: 55254845	Direct	04.03.2023	100%	100%
Accolade SK VI, s.r.o. IN: 55254195	Direct	07.03.2023	100%	100%
ACCOLADE VITO, S.L. IN: B01610369	Direct	30.12.2020	65%	65%
ACCOLADE SERV, S.L. IN: B06891386	Direct	26.07.2021	100%	100%
ACCOLADE ALZ, S.L. IN: B06915771	Direct	26.07.2021	55%	55%
ACCOLADE MURC, S.L. IN: B06915797	Direct	25.11.2021	60%	60%
ACCOLADE BUR, S.L. IN: B06915748	Direct	25.11.2021	100%	100%
SERSAM SPV 2022, S.L. IN: B09677907	Direct	14.07.2022	100%	100%
ALFAR SPV 2022, S.L. IN: B10575876	Direct	14.07.2022	100%	100%
Accolade I d.o.o. IN: 12820590917	Indirect	03.09.2021	100%	100%
Accolade II d.o.o. IN: 75563378267	Indirect	22.03.2022	100%	100%
Accolade III d.o.o. IN: 44196876040	Direct	22.03.2022	100%	100%
Accolade SERV d.o.o. IN: 32678013071	Direct	22.03.2022	100%	100%
Accolade V d.o.o. IN: 62395377067	Direct	11.01.2023	100%	100%
Accolade VI d.o.o. IN: 28319438345	Direct	10.10.2022	100%	100%
Accolade VII d.o.o. IN: 42704498447	Direct	03.11.2022	100%	100%
ACCOLADELIS, UNIPESSOAL LDA IN: 517060914	Direct	13.07.2022	100%	100%

* Companies Accolade CZ 68, s.r.o., člen koncernu, Accolade CZ 78, s.r.o., člen koncernu, Accolade Building Solutions s.r.o., Accolade PL XVIII sp. z o.o., Accolade PL XXXV sp. z o.o. and Accolade PL XXXIX sp. z o.o. are considered as subsidiaries upon which the control of the Group is exercised.

** Companies were sold from the Group in the period 1 January – 30 June 2024

*** Accolade Holding lost control above the company Accolade CZ 83, s.r.o., člen koncernu but significant influence remains (20%).

Shareholders

The Company ultimate shareholders as of 30 June 2024 and 31 December 2023 were as follows:

Shareholder	Interest in ultimate parent share capital	
	30 June 2024	31 December 2023
Milan Kratina	50%	50%
Zdeněk Šoustal	50%	50%

Management

Board of directors (“BoD”) consists of the two shareholders Milan Kratina and Zdeněk Šoustal. The company is always represented by two board members together.

Information on independent auditor

The Interim Consolidated Financial Statements of the Accolade Holding, a.s. were reviewed by an independent auditor BDO Audit s.r.o.

2. GOING CONCERN

As at the date of signing interim consolidated financial statements management does not consider that there are any facts or circumstances, which would indicate a threat to the continuation of the Group activity in a period of at least 12 months as result of the intentional or involuntary omissions or a significant reduction in its current activities, therefore the accompanying Financial Statements have been prepared on a going concern basis.

3. BASIS OF PREPARATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These Interim Consolidated Financial Statements (hereinafter “Financial Statements”) for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union. They do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023.

Basis of measurement

The Financial Statements have been prepared on a historical cost basis except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Functional and presentation currency

The Financial Statements are presented in Czech crowns (CZK), which is the Group’s functional and presentation currency. All values are rounded to the nearest thousand (CZK '000), except where otherwise indicated.

4. BASIS OF CONSOLIDATION

The Financial Statements incorporate the interim financial statements of the Company and all its subsidiaries. Intra-group transactions, including sales, profits, receivables and payables, have been eliminated on consolidation. All subsidiaries use uniform accounting policies.

Business combinations

The results of subsidiaries acquired are included in the income statement from the date of acquisition. Assets and liabilities existing at the date of acquisition are recorded at their fair values reflecting their condition at that date. Earn-outs paid as part of an acquisition are assessed on an individual basis and treated as either part of the acquisition consideration or as employee compensation depending on the nature of the agreement.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Inter-company balances, and any gains and losses or income and expenses arising from intra-Group transactions, are eliminated in the Financial Statements of the Group.

Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. After initial recognition of NCI in equity, the amount of non-controlling interest is adjusted for any changes in the net assets of the subsidiary from the date of acquisition, with the proportionate portion allocated to non-controlling interest.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss of the investee after the date of acquisition.

Consolidation methods

The assets and liabilities of the companies included in the Financial Statements are recognized in accordance with the uniform accounting policies used within the Group. In the case of companies accounted for using the equity method, the same accounting policies are applied to determine the proportionate equity, based on the most recent audited annual financial statements of each company.

In the case of subsidiaries consolidated for the first time, assets and liabilities are measured at their fair value at the date of acquisition. Their carrying amounts are adjusted in subsequent years. Goodwill arises when the purchase price of the investment exceeds the fair value of identifiable net assets. Goodwill is tested for impairment once a year to determine whether its carrying amount is recoverable. If the carrying amount of goodwill is higher than the recoverable amount, an impairment loss must be recognized. If this is not the case, there is no change in the carrying amount of goodwill compared with the previous year. If the purchase price of the investment is less than the identifiable net assets, the difference is recognized in the income statement in the year of acquisition. Goodwill is accounted for at the subsidiaries in the functional currency of those subsidiaries. Any difference that arises from the acquisition of additional shares of an already consolidated subsidiary is taken directly to equity. Unless otherwise stated, the proportionate equity directly attributable to noncontrolling interests is determined at the acquisition date as the share of the fair value of the assets (excluding goodwill) and liabilities attributable to them. Contingent consideration is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration do not generally result in the adjustment of the acquisition-date measurement. Acquisition-related costs that are not equity transaction costs are not added to the purchase price, but instead recognized as expenses in the period in which they are incurred.

The consolidation process involves adjusting the items in the separate financial statements of the parent and its subsidiaries and presenting them as if they were those of a single economic entity. Intragroup assets, liabilities, equity, income, expenses and cash flows are eliminated in full. Intercompany profits or losses are eliminated in Group inventories and noncurrent assets. Deferred taxes are recognized for consolidation adjustments, and deferred tax assets and liabilities are offset where taxes are levied by the same tax authority and have the same maturity.

5. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

New and amended IFRS that are bindingly effective for accounting period beginning on January 1, 2024

In a given year, the following amendments to IFRS became binding for use in the EU. Most of these changes in IFRS generally require full retrospective application (i.e. the values of the comparable period must be reworked), but some changes allow only prospective adjustment (i.e. without adjustments to the values of comparable periods) or simplified (modified) retrospective adjustment.

- Supplier finance arrangements (Amendments to: IAS 7 Statement of Cash Flows IFRS 7 Financial Instruments: Disclosure)
- Lease liability in a Sale and Leaseback (Amendment to IFRS 16 Leases)
- Classification of Liabilities as Current or Non-current (including Classification of Liabilities as Current or Non-current – Deferral of Effective Date) (Amendment to IAS 1 Presentation of Financial Statements)
- Non-current Liabilities with Covenants (Amendment to IAS 1 Presentation of Financial Statements)

The IFRS amendments did not have a significant impact on the financial statements.

New and amended IFRS adopted for use in the EU, which are not bindingly effective for accounting period beginning on 1 January 2024, but may be applied earlier.

- Lack of exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments)
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The management has not applied any of these new and amended IFRS in the accounting period beginning on 1 January 2024.

6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements in accordance with IFRS requires the directors to make critical accounting estimates and judgments that affect the amounts reported in the Financial Statements and accompanying notes. These estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The preparation of the Financial Statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the Financial Statements. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the Financial Statements:

7. SIGNIFICANT ACCOUNTING POLICIES

7.1. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group classifies fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1:** fair value measurements using quoted market price (unadjusted) in an active market for identical assets or liabilities that the entity has the ability to access;
- **Level 2:** fair value measurements using methods for which significant inputs are derived directly or indirectly from information observable in active markets for similar assets or liabilities;
- **Level 3:** fair value measurements using methods for which significant inputs are not derived from observable information in active markets.

The Group measures a number of items at fair value:

- Investment property (level 3 of measurement)
- Financial instruments at fair value through profit or loss (level 3 of measurement)
- Derivative financial instruments (level 1 of measurement)

7.2. Investment Property under development

Property that is being constructed or developed for future use as investment property, is classified as investment property under development classified and measured in line with IAS 16. Investment property under development is initially measured at cost. Cost includes all costs necessary to bring the asset to working condition for its intended use. It includes costs of labor, site preparation, delivery and handling, installation, related professional fees for architects and engineers, and the estimated cost of dismantling and removing the asset and restoring the site. Borrowing cost are also capitalized to the value of Investment property under development.

When construction or development is completed, property is reclassified to a different accounting standard based on the intended use of the property. If the intended use of the property is to lease it out in return for rental payments and sell it, it is subsequently accounted for as investment property (Note 7.3). If the intended use is not to sell the property, it is reclassified to property plant and equipment held within cost model (Note 7.4).

7.3. Investment Property

Investment property under development (Note 7.2) is reclassified into investment property once developed and the property is held for earning of rental income, for capital appreciation, or for both and it is intended for sale. At the same time rental payments start to be collected which triggers treatment within operating lease (Note 7.5).

Plots of lands, which are intended for sale without any development, are held as investment property as well.

Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss. An external, independent valuator having appropriately recognized professional qualifications and recent experience in the location and category of property being valued, values the portfolio of investment property at least annually.

The independent valuation report was obtained as at 30 June 2024 and 31 December 2023 was incorporated into the Financial Statements of the Group.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss.

7.4. Property Plant and Equipment

Properties held within IAS 16 property plant and equipment are motor vehicles. Moreover, separately acquired plots of lands and brownfields with no specific use are also classified within property plant and equipment. All buildings, property, plant and equipment are held within the cost model and are measured at cost less accumulated depreciation and impairment losses (Note 7.11). Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The present value of the expected cost for the restoration of rented premises after the end of their use is included in the cost of construction if the recognition criteria for a provision are met. Refer to the accounting policy on Provisions for further information about the recorded restoration provision.

Ordinary repairs and maintenance costs are charged to the income statement in the accounting period during which they are incurred.

Depreciation is recorded on a straight-line basis over the estimated useful life of an asset as follows:

Buildings	Thirty years
Motor vehicles	Six years
Furniture	Six years
Office Machinery	Four years

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is de-recognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Items of property, plant and equipment with useful lives of less than one year and with a cost not exceeding CZK 80 thousand are directly expensed.

7.5. Leases

7.5.1. As a lessee

Assets leased from a lessor is accounted for by recognizing a right-of-use asset and a lease liability. Specific assets accounted for this way are International Airport Brno and offices occupied by the Group employees. Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognized where the Group is contractually required to dismantle, remove or restore the leased asset.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognized in profit or loss.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. However, as Airport Brno is leased with zero interest charges, the lease liability is affected only by the rental payments and not by interest charge.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application; and
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Group previously classified leases as operating, or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases. However, the Group has elected not to

recognize right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

7.5.2. As a lessor

When the Group acts as a lessor, they determine at lease inception whether each lease is a finance lease or an operating lease. So far, all existing leases have been determined to be operating leases. At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of rental income under the title "Industrial leasing". Properties leased out under operating leases are classified as investment property and stated at fair value (Note 7.3).

7.6. Intangible Assets

Intangible assets are acquired by purchase. They are initially measured at cost and subsequently carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortization expense on intangible assets with finite lives is recognized in the income statement in the separate expense category.

Items of intangibles with a cost not exceeding CZK 60 thousand are directly expensed.

Amortization of intangible assets with finite lives is recorded on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life
Computer Software	Three years

Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. For business combinations completed on or after 1 January 2010, direct costs of acquisition are recognized immediately as an expense.

Goodwill is capitalized as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

7.7. Financial assets and contract assets

On initial recognition, a financial asset is classified as measured at: amortized cost or fair value through Profit and Loss. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group subsequently measures financial assets as follows:

- Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
- Financial assets at amortized costs: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Fair value through profit and loss investments

Long-term financial assets consist of shares in companies with shares of less than 20% and units (profit participation certificates). Shares and securities are mandatorily determined and valued at fair value through profit and loss.

Financial assets are initially recognized at fair value plus transaction cost, except for trade receivables that do not have a significant financing component which are measured at transaction price.

Accolade Holding, a.s. owns unit certificates issued by Accolade Fund SICAV, which are valued at fair value and revalued on a quarterly basis. The carrying value of each certificate is equal to its fair value.

Financial assets at Amortized costs

Trade and other receivables

Trade receivables are carried at the original invoice amount, including value-added tax and other sales taxes, and less allowance for doubtful receivables. The carrying value of trade and other receivables classified at amortised cost approximates fair value. All account receivables are neither past due nor impaired as at 30 June 2024, and 31 December 2023, respectively.

Trade receivables do not include a significant financing component because they are due within 30 days of the invoice date. The valuation of doubtful receivables is reduced by means of provisions attributable to the cost of their realization value, based on an individual assessment of the individual debtors and the age structure of the receivables.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks. The carrying amount approximates to fair value because of the short-term maturity of these instruments.

Cash at banks represent current account on demand, therefore 12-month and lifetime expected losses are the same. Moreover, all cash is held at banks with high creditworthiness (i.e., a high credit rating) therefore no significant credit losses are expected.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above.

Contract assets

Contract assets (unbilled revenue) represents work in progress, which relates to the cost of development extras and specific fit outs for the tenants. Contract assets are stated at the lower of cost and net realizable value (being the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale). Where the net realizable value is below cost, contract assets are written down to the lower value, and the impairment loss is recorded in the income statement. Costs of contract assets include the purchase price and related costs of acquisition (transport, customs duties and insurance). There are no contract assets at the Financial Statements.

ECL model for impairment

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss (ECL) provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The Group applies the provision matrix as a practical expedient to calculate ECLs under the simplified approach. The provision matrix is based on Group's historical observed loss rates and is adjusted for forward-looking information. At every reporting date, the historical observed loss rates are updated and changes in the forward-looking information are analyzed. In determining lifetime ECLs for trade receivables without a significant financing component, the time value of money will not need to be considered as it is insignificant. The ECLs therefore does not need to be discounted.

The Group identifies the most important factors driving the credit risk of each group. In the second step, the Group establishes a historical loss rate for each group with similar credit risk characteristics. This rate is based on past 3 consecutive accounting periods. In the next step, the Group determines the expected loss rate for each group of receivables, which is further divided into subcategories based on the number of days past due (e.g. the loss rate for receivables that are not due, the loss rate for receivables 1–30 days past due, loss rate for receivables 31–60 days past due, etc.). When determining the expected loss rate, the Group consider whether the historical loss rates were incurred under economic conditions that correspond to the expected conditions during the exposure period of the given portfolio of receivables at the balance sheet date.

In the last step, the Group calculates the amount of impairment allowances based on the current gross amount of receivables multiplied by the expected loss rate.

7.8. Prepayment and other current assets

The Group records pre-paid expenses, accrued revenues and estimated revenues in order to ensure that revenues and incomes are allocated to the correct accounting period. Expenses relating to future reporting periods are deferred as prepayments. Other current assets consist of assets that are either owed to the group within one year or likely to be used within one year.

7.9. Derivative financial instruments

The Group uses derivatives to hedge against potential risks. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument or instrument held for trading. The Group designates as hedging instruments only those which fulfil the requirements of hedge accounting.

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. The gain or loss on re-measurement to fair value is recognized immediately in profit or loss, except where the derivatives qualify for hedges of a net investment in a foreign operation.

7.10. Inventories

Inventories represent work in progress, which relates to the cost of early stage of property development before a dedicated legal entity has been setup for the particular development project. It also contains goods related to airport day to day operations like supplies for the airplanes and material representing spare parts etc.

Inventories are measured at cost (i.e. purchase price plus associated direct costs).

7.11. Impairment of other non-financial assets

The carrying amounts of the Group's assets, other than investment property, investment property under development and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In respect of goodwill, the recoverable amount is estimated at each reporting date.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. 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. Impairment losses are recognized in profit or loss. An impairment loss in respect of a Property, plant and equipment measured at fair value is reversed through profit and loss to the extent that it reverses an impairment loss on the same asset that was previously recognized in profit and loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (groups of units) and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

7.12. Short- and long-term deposits and similar instruments

The Group considers all highly liquid investments with original maturity dates of greater than three months and maturing in less than one year to be short-term deposits. Deposits with a maturity date of greater than one year from the balance sheet date are classified as long-term.

7.13. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as a deduction from related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as a reduction of such assets in the period when there is a reasonable assurance that the grant will be received.

7.14. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

7.15. Employee benefits

Pension obligations

Contributions are made to the Government's health, retirement benefit and unemployment plan at statutory rates applicable during the period and are based on gross salary payments. The Group has no further payment obligations once the contributions have been paid. The expense for the contributions is charged to profit or loss in the same period as the related salary expense.

Provision for untaken vacation and bonuses

The provision for untaken vacation entitlement is recorded based on analysis of untaken holiday in current accounting period and average wages including social security and health insurance cost for individual employees. Also, performance bonuses granted are accrued in the similar way.

7.16. Financial liabilities at amortised costs

Financial liabilities are classified and measured at initial recognition as financial liabilities at amortised cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss.

Any gain or loss on derecognition is also recognized in profit or loss.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Trade and other payables

Trade payables are recognized at their nominal value which is deemed to be materially the same as the fair value and divided to two groups: settled short-term and long-term.

7.17. Equity

Issued capital

Issued capital represents the amount of capital registered in the Shareholders Register and is classified as equity. External costs directly attributable to the issuance of share capital, other than upon a business combination, are shown as a deduction from the proceeds, net of tax, in equity.

Reserves

Consolidated reserves include Other capital funds, which represent contribution outside the registered capital and are created based on decision of Board of directors of the consolidated activities.

Retained earnings

Consolidated retained earnings arises from accumulation of profits and losses of the consolidated activities and are subject of dividend distribution after approval of the Board of directors.

7.18. Legal settlement and other contingencies

Determining the amount to be accrued for legal settlements requires the directors to estimate the committed future legal and settlement fees the Group is expecting to incur, either where suits are filed against the Group for infringement of patents, or where the Group may be required to indemnify a licensee. The directors assess the extent of any potential infringement based on legal advice and written opinions received from external counsel and then estimate the level of accrual required.

7.19. Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group divides financial liabilities into current and non-current according to its maturity. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

7.20. Revenue

The Group makes significant estimates in applying its revenue recognition policies. In particular, as discussed in details in the revenue recognition policy below, estimates are made in relation to the use of the percentage-of-completion accounting method, which requires that the extent of progress toward completion of contracts can be anticipated with reasonable certainty. The use of the percentage-of-completion method is itself based on the assumption that, at the outset of license agreements, there is an insignificant risk that customer acceptance is not obtained. The Group also makes assessments, based on prior experience, of the extent to which future milestone receipts represent a probable future economic benefit to the Group. In addition, when allocating revenue to various components of arrangements involving several components, it is assumed that the fair value of each element can be estimated reliably. The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent with the application of the revenue recognition policy affect the amounts reported in the Financial Statements. If different assumptions were used, it is possible that different amounts would be reported in the Financial Statements.

The usual maturity of payments is set in the range from 7 to 30 days. In general, contracts with other entities do not have significant financing component or variable consideration amount. There are no specific terms in the contracts and there are no special guarantees or other obligations related to the customers revenues.

The Group does not record any unsatisfied performance obligation.

Determining the transaction price and allocating the price to performance obligations

Group always evaluates whether it is probable that economic benefits (usually cash) will flow to the Group and therefore whether these receipts should initially be included in the arrangement consideration (i.e., in the determination of the contract price).

In particular, it considers:

- whether there is sufficient certainty that the invoice will be raised in the expected timeframe, particularly where the invoicing milestone is in some way dependent on customer activity;
- whether it has sufficient evidence that the customer considers that the Group's contractual obligations have been, or will be, fulfilled;
- whether there is sufficient certainty that only those costs expected to be incurred will indeed be incurred before the customer will accept that a future invoice may be raised; and
- the extent to which previous experience with similar product groups and similar customers supports the conclusions reached.

Where the Group considers that there is insufficient evidence that it is probable that the economic benefits associated with such future milestones will flow to the Group, taking into account these criteria, such receipts are considered as constrained variable consideration and therefore excluded from the determination of the total contract price until there is sufficient evidence that it is probable that the economic benefits associated with the transaction will flow to the Group. The Group does not discount future invoicing milestones, as the

effect of so doing would be immaterial, given the current business model when customers are either in advance or shortly after the completion of the project/delivery with only short payment terms.

Where agreements involve several components (i.e., performance obligations), the entire contract price from such arrangements is allocated to each performance obligation based on their stand-alone selling prices.

The Group has taken advantage of the following practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortization period of the asset otherwise recognized would have been one year or less.

For all types of revenue, if the amount of revenue recognized exceeds the amounts invoiced to customers, the excess amount is recorded as a contract asset within accounts receivable. The excess of amounts invoiced over revenue recognized is recorded as contract liability.

7.20.1. Revenue related to developed properties

Revenues from sale of properties

Revenue from sale of properties is recognized when the control has passed to the buyer at the amount to which the Group expect to be entitled, recovery of the consideration is probable, the associated costs can be estimated reliably and there is no continuing management involvement with the costs and the amount of revenue can be measured reliably, i.e. on the date on which the control to individual ready-made company with transfer of legal ownership. Revenue is measured net of returns and trade discounts. When appropriate, revenue from such sales is deferred until the property is completed and the properties are ready for sale, including the necessary regulatory permissions.

Revenue from development activities

Revenues from customer specific fit-outs of rented facilities are presented in statement of comprehensive income. Income from development activities includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. It is recognized on a straight-line basis per duration of respective rental contract.

Rental income and service charge income

Rental income from leases is recognized as income in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Service charge is integral, but separately identifiable, part of rental contracts. The Group has identified that the service charges are distinct from rentals and are therefore accounted separately. The service charge is priced and contracted based on market prices relevant for the region of operation. The service charge income is recognized evenly over time of the service rendered as the customer simultaneously receives and consumes the benefits from the provided service. Service and management charges are included in net rental income gross of the related costs. The Group determined that it does control the services before they are transferred to tenants and therefore that the Group acts rather as a principal in these arrangements.

7.20.2. Revenue related to airport operations

Airport fees

The Group provides services connected to the usage of the civil International Airport Brno-Turany (LKT/BRQ) mainly to air operators and charges them with two main categories of airport fees for it:

- Passenger service fees - The Group collects from air operators for every departing passenger fee for usage of Airport's resources and infrastructure. Revenues from passenger service fees are recognized at the time of departure

- Landing & Parking fee - The Group charges air operators for every aircraft that lands (or makes training movement that is the subject of payment) at BRQ. The fee depends on the certified maximum takeoff weight (MTOW) of the aircraft and time between arrival and consequent departure (Parking fee). Revenues from landing fee is recognized at the moment of departure (or when the training flight is finished)

Handling charges

The Group provides ground handling services for air operators - among other passenger handling, baggage handling, cleaning of the board interior, aircraft handling, aircraft de-icing, third party services arrangements, etc. The contracts with customers are mostly set for a fixed period with the cooperation period from 1 to 3 years. The prices are subject of contractual agreement or are stated by the fixed price list. The total revenue depends on the type of aircraft, the number of flights and range of the granted services or other service requirements.

Revenues from airport charges are recognized at the moment of provision of the service.

Revenue from contracts with customers

Airport Charges and Fees Price List is based on the relevant provisions of generally binding legal regulations of the Czech Republic, in particular Act No. 526/1990 Coll. on prices as amended, Act No. 235/2004 Coll. on VAT as amended, Act No. 586/1992 Coll. on income taxes as amended and Act No. 254/2004 Coll. on the limitation of cash payments.

The total charge of whole flight can differ according to awarded incentives. The incentive scheme motivates air operators to develop air connections to and from BRQ and contributes to effective usage of airport's infrastructure and capacity. The involvement of the air operators in the incentive program must be approved by the Group, the criteria are objective and the same for all operators. The determination of the airport price list including the incentive program is transparent. The most significant incentives are:

- Volume-based incentive program - they are awarded for reached volume and year on year increase in number of passengers. The incentive is provided to air operators through regressive discount on airport fees and charges.
- Route- based incentive program - the incentives are provided to air operators that extended their activities by launching new destinations, increase in their seat capacity or replacing existing operations. The incentive is awarded as discount to airport fees and charges.

In addition to these incentives the Group supports increase in capacity or increase in operation of off-season destinations.

The airport fees and charges are collected cash/card (mostly to General Aviation air operators) or invoiced in monthly interval and 14-day due period is generally applied. Based on risk determination of individual operators the Group requires security in form of advance payment or deposit.

Sale of goods – airport

The part of the group's revenue is derived from selling goods with revenue recognized at a point in time when control of the goods has transferred to the customer.

7.21. Taxes

Current income tax

Current income tax assets and liabilities for an accounting period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect

to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax is calculated using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

7.22. Foreign currency transactions

Functional and presentation currency

The functional currency of each Company entity is the currency of the primary economic environment in which that entity operates. The Financial Statements are presented in Czech crowns, which is the presentation and functional currency of the Group.

Transactions and balances

Transactions denominated in foreign currencies have been translated into the functional currency of each Company entity at average rates of exchange for the period of transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at closing rates of exchange at the balance sheet date. Exchange differences have been included in financial income and expenses.

Group companies

The results and financial positions of all Group entities (none of which has the currency of a hyper-inflationary economy) which are not in Czech crowns are translated into Czech crowns as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rates of exchange at the balance sheet date;
- income and expenses for each income statement presented are translated at daily exchange rates of transactions; and
- all resulting exchange differences are recognized as a separate component of equity, being taken through other comprehensive income via the cumulative translation adjustment.

When a foreign operation is partially disposed of or sold, exchange differences that were recognized through other comprehensive income are recognized in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates of exchange.

8. INCOME STATEMENT DISCLOSURES

Revenues

CZK '000	30 June 2024	30 June 2023
Industrial leasing	511 495	362 022
Airport operations	178 871	154 286
Gains from sale of assets	676 931	1 332 624
Other	310 014	211 571
Total	1 677 311	2 060 503

Revenues from industrial leasing include revenues from properties classified as investment property or investment property under development. Airport operations include all revenues from companies operating the Brno airport. Gains from sale of assets are related to revenues from sold properties via share deals or directly as asset deals. Other revenues include mainly revenues from transferred receivables, development and asset management fees of service entities and management and performance fees of investment fund.

Cost of Revenues

CZK '000	30 June 2024	30 June 2023
Industrial leasing	-208 191	-107 541
Airport operations	-44 934	-48 997
Costs related to sale of assets	-656 857	-956 999
Other	-117 315	-135 214
Total	-1 027 297	-1 248 751

General and administrative expenses

CZK '000	30 June 2024	30 June 2023
Travel and representation expenses	-9 198	-4 421
Total	-9 198	-4 421

Other income/expense

CZK '000	30 June 2024	30 June 2023
Real estate and other taxes	-20 968	-10 563
Cost of sold other fixed assets	-31 752	-631
Other expenses	-17 250	-27 771
Bad debt provision	45 574	0
Total other expenses	-24 396	-38 965
Revenues from sold other fixed assets	31 902	877
Other revenues	28 663	10 236
Total other revenues	60 565	11 113
Other income/expense	36 169	-27 852

Cost of sold other fixed assets are related to sold assets classified under IAS 16. Other expenses include insurance, gifts, fees and sold material. Other revenues include other operating fees of investment fund and service companies.

Financial income

CZK '000	30 June 2024	30 June 2023
Interest income - loans from related parties	61 965	77 103
Interest income - loans from third parties	11 804	13 016
Interest income from term deposits	389	1 046
Income from derivative operations	7 490	1 371
Foreign exchange gains	631 688	377 109
Other financial income	23 907	4 290
Total	737 242	473 934

Financial expenses

CZK '000	30 June 2024	30 June 2023
Interest expense - loans from related parties	-84 139	-87 985
Interest expense - loans from thirds parties	-229 245	-65 150
Interest expense on issued bonds	-45 131	-17 920
Interest expense on bank loans	-168 764	-143 295
Foreign exchange losses	-570 082	-32 851
Other financial expense	-19 154	-12 576
Total	-1 116 514	-359 777

9. INCOME TAX

Structure of the income tax for the period 1 January - 30 June 2024 and 1 January - 30 June 2023 is as follows:

CZK '000	30 June 2024	30 June 2023
Current income tax	41 467	47 045
Deferred tax	-20 726	364
Total	20 741	47 409

Reconciliation of effective income tax expense computed at the statutory rate and actual income tax expense incurred for the period ended 30 June 2024 is as follows:

CZK '000	30 June 2024	30 June 2023
Accounting profit before income tax	596 441	762 569
At statutory rate of 21 % (2023 19%)	125 253	144 888
Creation of tax loss	11 357	1 466
Permanent differences	329 575	324 664
Temporary differences	-236 420	-228 651
Income tax expense	20 741	47 409
Effective tax rate	3,48%	6,22%

Estimates and assumptions, including uncertainty over income tax treatments

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognised when, despite the group's belief that its tax return positions are supportable, the group believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law.

No material uncertain tax positions exist as at 30 June 2024 nor as at 30 June 2023. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

10. DEFERRED TAX

The Group quantified deferred taxes as at 30 June 2024 and 31 December 2023 as follows:

CZK '000	30 June 2024		31 December 2023	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Deferred tax items				
Difference between net book value of fixed assets for accounting and tax purposes	23 223	-262 296	200 948	-490 336
Other temporary differences:				
Provisions	1 273		1 273	
Tax losses	11 357		2 180	
Other	20 598	-19 218	23 292	-25 813
Total	56 451	-281 514	227 693	-516 149
Valuation allowance				
Deferred tax liability, net	-	-225 063	-	-288 456

The Group can carry forward tax losses generated for up to 1 – 5 years based on the Czech jurisdiction. The benefits will be recognized when realized or if it will be probable that the unrecognized portion of tax losses will be recoverable against available future profits.

The Group has applied tax rate of 21% in deferred tax calculation. This rate is applicable since 1 January 2024 according to Czech legislation.

11. INVENTORIES

CZK '000	30 June 2024	31 December 2023
Raw materials and consumables	4 370	3 553
Work-in-progress	31 498	27 300
Goods for resale	6 810	3 712
Total inventories	42 678	34 565

Raw materials and consumables include gas, oil and other small items used in operations of the Airport. Work-in-progress consists of new projects under development that has not been determined for the investments under development yet. Goods for resale include soft drinks and snacks used in the Airport.

12. CASH

CZK '000	30 June 2024	31 December 2023
Cash at bank available on demand	465 090	736 963
Short-term bank deposits	1 466 986	0
Cash on hand	405 753	14 476
Total Cash and cash equivalents	2 337 829	751 439

Cash and cash equivalents for purposes of the statement of cash flows comprises total Cash and cash equivalents mentioned in table above.

13. ACCOUNTS RECEIVABLES

CZK '000	30 June 2024	31 December 2023
Trade receivables	671 199	321 425
Less: Provision for impairment of trade receivables	-10 457	-55 918
Trade receivables – net	660 742	265 507
Receivables from shareholders	17	339 121
Loans to affiliated and third parties	1 806 960	1 490 428
Prepayments	82 459	28 356
Other receivables	21 568	174 790
Total trade and other receivables	2 571 746	2 298 202
Less: non-current portion – Loans to affiliated and third parties	-1 806 960	-1 496 634
Current portion of trade and other receivables	764 786	801 568

Accounts receivables are measured at fair value and are subsequently measured at amortized cost, less allowance for credit losses. The carrying amount of the accounts receivable approximates the fair value. The Group periodically review whether an allowance for credit losses is needed by considering factors such as past payment experience, credit

quality, aging of the accounts receivable balances, expected lifetime losses, and current economic conditions that may affect a tenant's ability and willingness to pay.

ECL model for account receivable:

When applying simplified approach to trade receivables with no significant financing component the Group prepare a provision matrix with reference to the above-mentioned factors. Then all tenants are divided to the groups (stage 2, stage 3) with similar risk characteristics and expected credit loss provision is computed.

Gross carrying amount of trade receivables from non-financial corporations divided to two groups and the lifetime expected loss provision is as follows:

30 June 2024	Gross carrying amount of trade receivables			Expected loss provision for trade receivables			Net carrying amount of trade receivables
	Stage 2	Stage 3	Total	Stage 2	Stage 3	Total	
CZK '000							
Non-financial corporations	660 873	10 326	671 199	-131	-10 326	-10 457	660 742
Total	660 873	10 326	671 199	-131	-10 326	-10 457	660 742

31 December 2023	Gross carrying amount of trade receivables			Expected loss provision for trade receivables			Net carrying amount of trade receivables
	Stage 2	Stage 3	Total	Stage 2	Stage 3	Total	
CZK '000							
Non-financial corporations	265 583	55 843	321 425	-75	-55 843	-55 918	265 507
Total	265 583	55 843	321 425	-75	-55 843	-55 918	265 507

If the financial condition of tenants were to deteriorate or improve, or actual future economic performance is different to the Group's estimates, additional allowances or reversals may be required in future periods and therefore the receivable could be transferred between stages.

30 June 2024	1 January 2024	Additions	Derecognitions	Transfer between stages	Other changes in credit risk	Other	30 June 2024
CZK '000							
Stage 2	-75	-56	0	0	0	0	-131
Stage 3	-55 843	0	45 517	0	0	0	-10 326
Total	-55 918	-56	45 517	0	0	0	-10 457

31 December 2023	1 January 2023	Additions	Derecognitions	Transfer between stages	Other changes in credit risk	Other	31 December 2023
CZK '000							
Stage 2	-231	0	156	0	0	0	-75
Stage 3	-4 584	-51 259	0	0	0	0	-55 843
Total	-4 815	-51 259	156	0	0	0	-55 918

All loans to third parties are due within 10 years of 30 June 2024. None of those receivables has been subject to a significant increase in credit risk since initial recognition and, consequently, 12 month expected credit losses have been recognized, and there are no non-current receivable balances lifetime expected credit losses.

14. ACCOUNTS PAYABLE

CZK '000	30 June 2024	31 December 2023
Trade payables	1 977 400	1 299 518
Advances received	11 303	22 014
Accruals	787 675	616 939
Deferred income	2 264 796	1 604 026
Other payables	714 365	1 058 142
Total Trade and other payables	5 755 539	4 600 639
Less: non-current portion – Trade and other payables	- 566 094	- 2 503 066
Current portion of Trade and other payables	5 189 445	2 097 573

15. LEASES

Nature of leasing activities (in the capacity as lessor)

The group leases a number of properties (logistic warehouses) in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. In some jurisdictions property leases the periodic rent is fixed over the lease term.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The following table presents the maturity profile of the Group's rental income from operating lease based on contractual undiscounted payments:

CZK '000	30 June 2024	31 December 2023
Less than 12 month	830 309	817 141
1 to 5 years	2 587 947	2 548 188
More than 5 years	2 466 699	1 927 622
Total	5 884 956	5 292 952

The following table presents future expected lease receivables from operating lease based on contractual undiscounted payments:

CZK '000	30 June 2024	31 December 2023
Short- term lease receivables	830 309	817 141
Long-term lease receivables	5 054 646	4 475 811
Total lease receivables	5 884 956	5 292 952

ECL model – lease receivables

The Group has lease receivables towards non-financial corporations. Group has done the review of tenants and assessed receivables collection history and concluded, that contractual payments could be expected to be received almost in the full amount and no significant credit losses may occurred. Applied provision matrix is based on the application of the appropriate loss rate to expected future cash-incomes corresponding to the lease agreements.

The future minimum operating lease payments (undiscounted) due from tenants to be received at 30 June 2024 and 31 December 2023 are as follows:

30 June 2024	Gross carrying amount of lease receivables			Expected loss provision for lease receivables			Net carrying amount of lease receivables
	Stage 2	Stage 3	Total	Stage 2	Stage 3	Total	
CZK '000							
Non-financial corporations	5 882 469	2 487	5 884 956	-58 825	-50	-58 874	5 826 081
Total	5 882 469	2 487	5 884 956	-58 825	-50	-58 874	5 826 081

31 December 2023	Gross carrying amount of lease receivables			Expected loss provision for lease receivables			Net carrying amount of lease receivables
	Stage 2	Stage 3	Total	Stage 2	Stage 3	Total	
CZK '000							
Non-financial corporations	5 289 065	3 886	5 292 951	-52 891	-78	-52 969	5 239 982
Total	5 289 065	3 886	5 292 951	-52 891	-78	-52 969	5 239 982

Movement in credit loss allowances:

30 June 2024	1 January 2024	Additions	Derecognitions	Transfer between stages	Other changes in credit risk	Other	30 June 2024
CZK '000							
Stage 2	-52 891	-6 119	186	0	0	0	-58 824
Stage 3	-78	0	28	0	0	0	-50
Total	-52 969	-6 119	214	0	0	0	-58 874

31 December 2023	1 January 2023	Additions	Derecognitions	Transfer between stages	Other changes in credit risk	Other	31 December 2023
CZK '000							
Stage 2	-40 178	-12 713	0	0	0	0	-52 891
Stage 3	-64	-14	0	0	0	0	-78
Total	-40 242	-12 727	0	0	0	0	-52 969

Historical experience of collecting lease receivables supported by the level of defaults confirms that the credit risk is low across the entities in the Group and territories.

Right-of-Use Assets

For the period ended 30 June 2024, assets arising from leases where the Group is a lessee have been accounted for under IFRS 16. The net carrying amount of right of use assets includes CZK 526 876 ths. Held under leases for the period ended 30 June 2024 (31 December 2023: CZK 537 890 ths).

Movements in Right-of-Use Assets are described also in Note 20:

CZK '000	30 June 2024	31 December 2023
The carrying amount of right-of-use assets at the end of the reporting period:	1 037 643	1 037 643
Land and buildings	864 251	864 251
Fixtures, fittings and motor vehicles	173 392	173 392
Depreciation charge for right-of-use assets:	-510 767	-499 753
Land and buildings	-412 516	-404 653
Fixtures, fittings and motor vehicles	-98 250	-95 100
The net carrying amount of right-of-use assets at the end of the reporting period:	526 876	537 890
Land and buildings	451 735	459 598
Fixtures, fittings and motor vehicles	75 142	78 292

Lease liabilities

The Group's leasing liabilities are as follows:

- **Real estate leases** – the Group leases lands and buildings for its airport business and office buildings for employees. The major leases located in Czech Republic. Lease contracts are negotiated on an individual basis, lease terms contain a wide range of different terms and conditions. Leases are typically made for fixed period of 10-30 years and may include extension, termination and other options, which provide operational flexibility to the Group.
- **Vehicle leases** – the Group leases cars for employees and management and other functions. Vehicle leases typically run for an average period of three years and provide renewal options.
- **Other leases** – the Group also leases IT equipment, software licenses and other small equipment that combined are insignificant to the total leased asset portfolio.

The maturity analysis of lease liabilities based on contractual cash flows:

CZK '000	30 June 2024	31 December 2023
Less than 12 month	22 970	31 856
1 to 5 years	125 380	125 380
More than 5 years	416 575	416 575
Total	564 925	573 811

CZK '000	30 June 2024	31 December 2023
Short- term lease liabilities	22 970	31 856
Long-term lease liabilities	541 955	541 955
Total lease liabilities	564 925	573 811

Leases of low-value assets are recognized as Short-term lease liabilities. The Group recognizes such lease payments as an operating expense, which are recorded on a straight-line basis over the term of the lease. These are mainly payments for various software licenses, maintenance and other services carried on a monthly or annual basis.

CZK '000	30 June 2024	31 December 2023
Interest expense on lease liabilities	4 002	5 544
Total cash outflow for leases (excluding VAT)	8 886	35 487
Total	12 888	41 031

In the period 1 January – 30 June 2024 the Group incurred interest expense on lease liabilities of CZK 4 002 thousand (in 2023: CZK 5 544 thousand).

There are no significant variable lease payments included in the Group's lease arrangements.

The discount rate used to determine the right-of-use asset and the lease liability for each leased assets is calculated based on the incremental borrowing rate at inception of the lease. The Group calculated the rate applicable to each lease contract on the basis of lease duration.

16. LOANS AND BORROWINGS

Financing is provided to Group through a combination of borrowings provided by banks, bond investors and loans provided by related and unrelated parties. The book value of loans and borrowings are as follows:

CZK '000	30 June 2024	31 December 2023
Non-Current		
Bank loans	10 033 644	8 361 168
unsecured	75 200	0
secured	9 958 444	8 361 168
Bonds	3 100 177	894 500
unsecured	2 700 177	0
secured	400 000	894 500
JV Loans	3 351 654	2 895 326
unsecured	3 325 387	2 870 340
secured	26 267	24 986
3rd Party Loans and Borrowings	1 010 429	2 349 579
unsecured shareholder loans	154 638	154 124
unsecured & secured 3rd party loans	855 791	2 195 455
Total Non-Current	17 495 905	14 500 573
Current		
Bank loans	220 869	398 853
unsecured	4 800	0
secured	216 069	398 853
Bonds	770 683	13 803
unsecured	240 000	0
secured	530 683	13 803
JV Loans	385 605	351 733
unsecured	385 605	322 215
secured	0	29 518
3rd Party Loans and Borrowings	1 627 086	1 262 735
unsecured shareholder loans	0	0
unsecured & secured 3rd party loans	1 627 086	1 262 735
Total Current	3 004 242	2 027 124
Total loans and borrowings	20 500 147	16 527 697

Loans and borrowings are divided into secured and unsecured items in accordance with the order of creditors' satisfaction. Secured loans and borrowings are guaranteed by Accolade Holding, a.s. or in case of bank loans there are pledges to assets. Bonds that are classified as unsecured due to lower subordination are detailed in Note 17.

The interests profile of the Group's loans and borrowings is as follows:

CZK '000	30 June 2024	31 December 2023
Floating rate	6 942 512	9 268 325
Fixed rate	13 557 635	7 259 372
Total	20 500 147	16 527 697

The currency profile of the Group's loans and borrowings is as follows:

CZK '000	30 June 2024	31 December 2023
CZK	4 700 392	1 268 675
EUR	15 799 755	15 259 022
Total	20 500 147	16 527 697

The Group has undrawn committed borrowing facilities available at 30 June 2024 and 31 December 2023, for which all conditions have been met, as follows:

CZK '000	30 June 2024	31 December 2023
Expiry within 1 year	3 027 621	1 792 953
Expiry in more than 1 years	498 209	3 975 004
Total	3 525 830	5 767 957

17. ISSUED BONDS

The Group issued 5-year senior bonds (ISIN:CZ0003561441) in the nominal value of 3 000 000 ths. CZK at 14 June 2024. The nominal value of one Bond is CZK 10,000 and interest rate is fix of 8% p.a. Bonds are traded on the Regulated Market of the Prague Stock Exchange. Interests are paid semi-annually starting at 14 December 2024.

The Group could repay bonds early as of 14 June 2028 and 14 December 2028, however the Company has no intention to do so.

Issue costs decreased nominal value of bonds and are part of the effective interest rate calculated as of 8,7691%.

There are costs for legal and consulting services. The majority of costs relates to management of bond issue by J&T banka, Česká spořitelna and Komerční banka. Issue costs are mostly unpaid as of 30 June 2024 and they are part of Trade and other payables in the Financial statements.

CZK '000	30 June 2024
Nominal value	3 000 000
Unpaid interests	10 814
Cost of issue	-70 636
Bonds total	2 940 177
Current	240 000
Non-current	2 700 177
Bonds total	2 940 177

Short-term part of bonds relates to interests payable during 12 months.

18. OTHER CURRENT ASSETS

CZK '000	30 June 2024	31 December 2023
VAT receivable	95 673	235 251
Other tax receivable	11 578	6 458
Pre-paid expenses	323 907	202 765
Accrued revenues	104 351	111 439
Estimated revenues	59 444	80 173
Total other current accounts assets	594 953	636 086

Prepayments is mainly composed of paid advances on utilities, deferred financing costs and letting fees. Other current assets comprise the short-term part of rent-free incentives granted to tenants, as well as accrued amounts from the year-end service charge reconciliation. Estimated revenues involve revenues that Group has not invoiced by the end of the period and expected to receive in the following period.

19. INVESTMENT PROPERTY

CZK '000	Investment property under development	Investment property	Total
At January 1, 2024	11 242 079	14 443 425	25 685 504
Additions	3 372 182	468 804	3 840 986
Change of the category/transfer	-2 935 665	2 935 665	0
Disposals	-1 323	-1 247 629	-1 248 952
Fair value gain (loss) recognized in profit or loss		359 212	359 212
At June 30, 2024	11 677 273	16 959 477	28 636 750

CZK '000	Investment property under development	Investment property	Total
At January 1, 2023	7 518 244	10 855 529	18 373 773
Additions	6 786 149	3 491 414	10 277 563
Change of the category/transfer	-979 000	979 000	0
Disposals	-2 083 314	-1 222 164	-3 305 478
Fair value gain (loss) recognized in profit or loss		339 646	339 646
At December 31, 2023	11 242 079	14 443 425	25 685 504

Investment property under development comprises unfinished construction projects in different phases of completion. The additions are primarily related to the growing number of new projects in the Czech Republic and abroad and the expansion of the Group's operations into other countries and new markets. Disposals presents transfers to investment property after the project is completed.

Investment property is composed of the lands and industrial buildings that leased out to the various tenants outside the Group. The most significant changes are completion of several projects and their following sale to the Fund.

A part of owned land plots and buildings are subject of bank pledges.

The investment properties were valued using inputs to the valuation technique used in accordance with IFRS 13 carried out by external independent qualified valuers with recent experience valuing investment properties in the location held by the Group at least semi-annually.

The fair value of the investment property has not been adjusted significantly for the purposes of financial reporting.

The fair value of investment property is categorised as a level 3 recurring fair value measurement.

Fair value measurement

The valuation technique and significant unobservable inputs used in determining the fair value measurement of investment property, as well as the inter-relationship between key unobservable inputs and fair value, is detailed in the table below.

Valuation Technique

Fair value is determined by applying the income approach, the market approach or the residual method.

Valuations performed using the income approach are based on the estimated rental value of the property. Capitalization rates, expected vacancy rates and rental growth rates are estimated by an external valuer or management based on comparable transactions and industry data. This approach is used for properties where construction has been completed.

Valuations also reflect the type of tenants in occupation, lease term and rent-free period, the quality of building and its location, BREEAM certification and other positive and negative factors affecting the value of property.

Market approach is used for property with development potential and consist in comparison with similar properties for which price information is available. Location, usability in terms of construction and size is reflected when selecting samples. Analysis and adjustment of differences between the subject property and the comparable property is performed by an external valuer or management.

Residual method is used for property with development potential where using the market approach is dubious. Anticipated value of the project when completed, all anticipated costs required to complete the development and development profit are estimated by an external valuer or management based on comparable transactions and industry data.

Significant assumptions/ unobservable inputs

- Equivalent yield (5.25% to 7.87%; weighted average 6.18%)
- Expected vacancy rate (0% to 2.72%)
- Rental growth rate (0%)
- Rent-free periods: 0-12 months for new leases

Inter-relationship between key unobservable inputs and fair value

- The higher the equivalent yield and expected vacancy rate the lower the fair value
 - The longer the rent-free period the lower the fair value
-

There were no changes to the valuation techniques of level 3 fair value measurements in the period and there were no transfers between Levels during the year. The fair value measurement is based on the above items highest and best use, which does not differ from their actual use.

Date of the revaluation: 30 June 2024.

20. PROPERTY, PLANT AND EQUIPMENT

The Group's property, plant and equipment comprising of owned assets and leased assets are summarised below:

CZK '000	Land	Buildings	Fixtures, fittings and motor vehicles	Right of Use	Other fixed assets	Artworks	Assets under construction	Total
Cost								
At January 1, 2024	29 294	68 414	134 678	1 037 643	0	650	136 817	1 407 496
Additions		1 866	9 547	0	0	0	60 241	71 654
Disposals	-162		-1 022	0	0	0	-10 777	-11 961
At June 30, 2024	29 132	70 280	143 203	1 037 643	0	650	186 281	1 467 189

Accumulated depreciation								
At January 1, 2024	0	-19 168	-86 000	-499 753	0	0	0	-604 921
Charge for the year	0	-884	-18 036	-12 432	0	0	0	-31 352
Disposals	0		13 264	1 418	0	0	0	14 682
At June 30, 2024	0	-20 052	-90 772	-510 767	0	0	0	-621 591
Net book value at June 30, 2024	29 132	50 228	52 431	526 876	0	650	186 281	845 598

CZK '000	Land	Buildings	Fixtures, fittings and motor vehicles	Right of Use	Other fixed assets	Artworks	Assets under construction	Total
Cost								
At January 1, 2023	23 696	67 881	110 362	1 019 534	0	650	108 126	1 330 249
Additions	5 598	533	27 280	27 564	0	0	62 485	123 460
Disposals	0	0	-2 964	-9 455	0	0	-33 794	-46 213
At December 31, 2023	29 294	68 414	134 678	1 037 643	0	650	136 817	1 407 496
Accumulated depreciation								
At January 1, 2023	0	-17 430	-78 131	-477 137	0	0	0	-572 698
Charge for the year	0	-1 738	-9 265	-33 871	0	0	0	-44 874
Disposals	0	0	1 396	11 255	0	0	0	12 651
At December 31, 2023	0	-19 168	-86 000	-499 753	0	0	0	-604 921
Net book value at December 31, 2023	29 294	49 246	48 678	537 890	0	650	136 817	802 575

Bank borrowings are secured on the Group's freehold land and buildings, see Note Pledges for more information.

Fixtures, fittings and motor vehicles amounted to CZK 52 431 ths. (2023: 48 678 ths.) includes own machines and cars used in the operations of the airport and equipment used in the office headquarters.

The Group has considered the terms and conditions of active lease contracts and has applied IFRS 16 for several of them. In a position of a lessee the Group recognises as an asset the "Right of use" of international public airport Letiště Brno-Tuřany, operative lease of offices and cars. Concurrently at the commencement date, the Group recognizes corresponding lease liabilities measured in the present value of unpaid lease payments for these contracts. The amount of the liability of the airport lease was not discounted to the present value using implicit interest rate as according to the leasing agreement the lessor does not require any rental interest. The lease liabilities were discounted based on the lease agreement, which was concluded for an indefinite period with a one-month notice period without a significant fine. The lease agreement was calculated for 10 years, i.e., the period of the longest depreciated asset. There were no modifications or changes in lease agreements during the reporting period.

For the period ended 30 June 2024, assets arising from leases where the Group is a lessee have been accounted for under IFRS 16. The net carrying amount of right of use assets includes CZK 526 876 ths. held under leases for the period ended 30 June 2024 (31 December 2023: CZK 537 890 ths.).

The net book value of assets under construction includes an amount of CZK 186 281 ths. (2023: CZK 136 817 ths.) relating to the new buildings, machines and technical improvements in the airport and paid advances related to new asset purchases amounted to CZK 44 763 ths. (2023: 44 172 ths.) The cost of the buildings and machines will be depreciated once the property is complete and available for use.

Borrowing costs

The Group capitalizes borrowing costs that are directly incurred in connection with acquisition, construction or production of a qualifying asset. Borrowing costs are part of total construction costs until the qualifying asset is finished and get ready for its intended use or sale. Afterwards incurred borrowing costs are recognised as an expense.

CZK '000	30 June 2024	31 December 2023
Interest on bank loans	74 399	61 804
Interest on loans from third parties	66 360	138 163
Total	140 759	199 967

21. INTANGIBLE ASSETS

Details of intangible assets presented in Group's consolidated statement of financial position are as follows:

CZK '000	Software	Goodwill	Other intangible assets	Assets under construction	Total
Cost					
At January 1, 2024	17 370	202 663	14 223	147	234 403
Additions	2 377	0	100	1 190	3 667
Disposals	0	0	0	-987	-987
At June 30, 2024	19 747	202 663	14 323	350	237 083
Accumulated depreciation					
At January 1, 2024	-10 904	0	-13 741	0	-24 645
Charge for the year	-3 503	0	-35	0	-3 538
Disposals	0	0	0	0	0
At June 30, 2024	-14 407	0	-13 776	0	-28 183
Net book value at June 30, 2024	5 340	202 663	547	350	208 900

CZK '000	Software	Goodwill	Other intangible assets	Assets under construction	Total
Cost					
At January 1, 2023	15 012	134 773	14 324	42	164 151
Additions	2 358	67 890	0	105	70 353
Disposals	0	0	-101	0	-101
At December 31, 2023	17 370	202 663	14 223	147	234 403
Accumulated depreciation					
At January 1, 2023	-7 282	0	-13 184	0	-20 466
Charge for the year	-3 622	0	-557	0	-4 179
Disposals	0	0	0	0	0
At December 31, 2023	-10 904	0	-13 741	0	-24 645
Net book value at December 31, 2023	6 466	202 663	482	147	209 758

One acquisition has taken place in the first semester of the year 2024 and was structured as share deal acquiring: Accolade Ostrov South, s.r.o., člen koncernu. From this acquisition no goodwill had arisen.

Other intangible assets include project studies. Assets under construction include new SW development for service companies. The life usage of this SW has not been determined yet, therefore the Group performed impairment testing with no impairment needed.

22. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AND DISCLOUNTED OPERATIONS

At the end of 2023, management decided to sell majority interest in the company Accolade CZ 83, s.r.o., člen koncernu. Consequently, assets and liabilities allocable to this subsidiary were classified as a disposal group. Revenue and expenses, gains and losses relating to the discontinuation of this subgroup have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the consolidated statement of profit or loss. Accolade CZ 83, s.r.o., člen koncernu was sold out of the Group on 24 May 2024.

Details of operating profit of Accolade CZ 83, s.r.o., člen koncernu as at 24 May 2024 and profit for the year from discontinued operations were as follows:

CZK '000	30 June 2024	31 December 2023
Revenues	18 425	12 014
Cost of revenues	-1 766	-1 862
Depreciation and amortization	-5 258	-5 257
Other income/expense	-572	-74
Profit from operations	10 829	4 820
Financial income	2 495	9 069
Financial expense	-5 100	-22 153
Profit from discontinued operations before tax	8 224	-8 264
Income taxes	0	1 104
Loss for the year from discontinued operations	8 224	-7 160

The carrying amounts of assets and liabilities in this disposal group are summarised below:

CZK '000	30 June 2024	31 December 2023
Current assets		
Trade and other receivables	0	4 664
Prepayments and other current assets	0	3 480
Cash and cash equivalents	0	10 053
Non-current assets		
Investment property	0	420 797
Investment property under development	0	196 953
Assets classified as held for sale	0	635 949
Current liabilities		
Trade and other payables	0	198 025
Loans and borrowings	0	4 616
Non-current liabilities		
Loans and borrowings	0	218 569
Deferred tax liability	0	-3 138
Derivative financial liabilities	0	2 754
Liabilities classified as held for sale	0	420 826

23. BUSINESS COMBINATION

Business combination performed in 2024

On January 26, 2024, the Group acquired 100% interest in the company Accolade Ostrov South, s.r.o., člen koncernu. Then Accolade Ostrov South, s.r.o., člen koncernu merged with Accolade CZ 78, s.r.o., člen koncernu.

24. GOODWILL

Details of goodwill presented in Group's consolidated statement of financial position as a part of intangible assets are as follows:

CZK '000	Date of acquisition	Goodwill arisen from the acquisition
Letiště Brno, a.s.	31.12.2017	112 039
Nordland Bohatice, s.r.o.	24.09.2021	133
RG Construction CZ, s.r.o.	05.04.2022	22 601
Accolade PP 1, s.r.o., člen koncernu	26.11.2023	67 890
Total at June 30, 2024		202 663

Impairment testing

As at 30 June 2024 and 31 December 2023 no impairment was identified.

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF NET FINANCIAL ASSETS AT AMORTISED COSTS

The table below provides a comparison by class of the carrying amounts and fair value of the financial assets and financial liabilities at amortised costs in the Group's consolidated statement of financial position:

30 June 2024		Level of fair value			
CZK '000	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at amortised costs	5 412 242	5 412 242	0	0	5 412 242
Trade and other receivables	2 571 746	2 571 746	0	0	2 571 746
Prepayments and other financial assets	502 667	502 667	0	0	502 667
Cash equivalents	2 337 829	2 337 829	0	0	2 337 829
Financial liabilities at amortised costs	26 255 686	26 255 686	0	0	26 255 686
Trade and other payables	5 755 539	5 755 539	0	0	5 755 539
Loans and borrowings	20 500 147	20 500 147	0	0	20 500 147
Net book value as at June 30, 2024	-20 843 444	-20 843 444	0	0	-20 843 444

31 December 2023		Level of fair value			
CZK '000	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets at amortised costs	3 723 321	3 723 321	0	0	3 723 321
Trade and other receivables	2 298 202	2 298 202	0	0	2 298 202
Prepayments and other financial assets	673 680	673 680	0	0	673 680
Cash equivalents	751 439	751 439	0	0	751 439
Financial liabilities at amortised costs	21 128 336	21 128 336	0	0	21 128 336
Trade and other payables	4 600 639	4 600 639	0	0	4 600 639
Loans and borrowings	16 527 697	16 527 697	0	0	16 527 697
Net book value as at December 31, 2023	-17 405 015	-17 405 015	0	0	-17 405 015

26. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The table below provides information of the carrying amounts and fair value of the financial assets at fair value through profit and loss in the Group's consolidated statement of financial position:

30 June 2024		Level of fair value		
CZK '000	Fair value	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss	2 203 031	0	0	2 203 031
Financial assets at fair value through profit and loss	2 203 031	0	0	2 203 031

31 December 2023		Level of fair value		
CZK '000	Fair value	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss	1 205 943	0	0	1 205 943
Financial assets at fair value through profit and loss	1 205 943	0	0	1 205 943

The fair value of financial assets is categorised as a level 3 recurring fair value measurement based on the unobservable inputs. There was no reclassification between Levels during the period.

27. FINANCIAL ASSETS AND LIABILITIES ACCORDING TO GEOGRAPHICAL LOCATION

CZK '000	Czech Republic		EU	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Financial assets at amortised costs	4 235 479	2 504 458	1 176 764	1 218 863
Trade and other receivables	2 265 604	1 857 476	306 142	440 726
Prepayments and other financial assets	267 276	222 482	235 391	451 198
Cash equivalents	1 702 599	424 500	635 230	326 939
Financial assets at fair value through profit and loss	27 130	26 004	2 175 901	1 179 939
Financial liabilities at amortised costs	18 537 044	13 386 634	7 718 641	7 741 702
Trade and other payables	4 823 179	3 403 206	932 360	1 197 433
Loans and borrowings	13 713 866	9 983 428	6 786 280	6 544 269

The Group operational activities are mainly performed in Czech Republic, Poland, Slovakia, Spain, Croatia.

28. EQUITY-ACCOUNTED ASSOCIATES

The following companies have been included in the consolidated financial statements using the equity method (associates and joint ventures over which the Group exercises significant influence or joint control stemming from voting power greater than 20% up to 50%):

Name	Country of incorporation principal place of business	Proportion of ownership interest held as at 30 Jun 2024	Proportion of ownership interest held as at 31 December 2023
APH Park s.r.o.	Czech Republic	50%	0%
Accolade CZ 83, s.r.o., člen koncernu	Czech Republic	20%	100%
Ballesteros one a.s.	Czech Republic	20%	20%
Thyramen a.s.	Czech Republic	20%	20%
CHEVAK Cheb, a.s.	Czech Republic	28,16%	28,16%
TEREA Cheb s.r.o.	Czech Republic	50%	50%
KMS KRASLICKÁ MĚSTSKÁ SPOLEČNOST s.r.o.	Czech Republic	50%	50%
ACCOLADE HU I Kft	Hungary	20%	20%
PDC Industrial Center 213 Sp. z o.o.	Poland	25%	25%
Accolade PL XI sp. z o. o.	Poland	32%	32%
Accolade PL XVI sp. z o.o.	Poland	39%	39%
Accolade PL XX sp. z o.o.	Poland	26%	26%
Accolade PL XXV sp. z o.o.	Poland	49%	49%

Summarised financial information:

CZK '000	30 June 2024	31 December 2023
Current assets	1 608 103	1 500 083
Non-current assets	11 805 094	10 278 725
Current liabilities	-4 664 530	-594 027
Non-current liabilities	-5 200 863	-7 920 089
Total comprehensive income	1 715 193	-657 558
Net assets in FV (100%)	3 547 804	3 264 692
Group share of net assets in FV	1 054 159	977 960
Fair value gain (loss) recognised in profit or loss	73 765	-201 660

Summarised aggregated financial information for equity-accounted associates and joint ventures is set out below:

30 June 2024	Ownership % held by Group							
	20%	25%	26%	28%	32%	39%	49%	50%
CZK '000								
Current assets	142 726	260 383	66 521	527 109	83 875	113 374	159 153	254 962
Non-current assets	2 670 655	2 023 500	1 493 665	1 796 683	1 096 289	1 197 385	1 159 740	367 176
Current liabilities	-1 009 171	-994 182	-846 345	-323 247	-251 976	-450 503	-668 720	-120 384
Non-current liabilities	-988 933	-1 282 857	-714 798	-186 055	-663 200	-616 931	-647 513	-100 577
Total comprehensive income	728 214	90 423	122 449	51 782	393 601	322 537	-28 447	34 635
Net assets	815 277	6 844	-957	1 814 490	264 987	243 326	2 660	401 176
Group share of net assets	163 055	1 711	-249	508 057	84 796	94 897	1 303	200 588
Fair value gain (loss) recognised in profit or loss	46 381	-1 144	-7 942	-4 634	1 241	51 029	982	-12 148

31 December 2023	Ownership % held by Group							
CZK '000	20%	25%	26%	28%	32%	39%	49%	50%
Current assets	96 310	234 262	61 984	420 763	81 598	106 541	142 899	355 726
Non-current assets	1 360 615	1 993 379	1 510 369	1 776 108	1 084 186	1 037 164	1 142 864	374 040
Current liabilities	-7 377	-26 724	-14 262	-230 288	-16 834	-40 138	-27 422	-230 982
Non-current liabilities	-860 986	-2 167 314	-1 482 317	-187 325	-900 834	-967 085	-1 246 281	-107 947
Total comprehensive income	-53 902	33 603	-298 536	7 547	-141 656	-214 007	-32 160	41 553
Net assets	588 562	33 603	75 774	1 779 259	248 116	136 482	12 059	390 837
Group share of net assets	117 713	8 401	19 701	498 192	79 397	53 228	5 909	195 419
Fair value gain (loss) recognised in profit or loss	-10 779	8 401	-77 619	2 113	-45 330	-83 463	-15 759	20 776

29. NON-CONTROLLING INTERESTS

The Group has the following subsidiaries with material non-controlling interest (NCI):

Name of subsidiary	Country of incorporation principal place of business	Proportion of ownership interest held by Group		Non-controlling interests/voting interest	
		30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
Accolade Building Solutions s.r.o.	Czech Republic	50%	50%	50%	50%
Accolade CZ 68, s.r.o., člen koncernu	Czech Republic	50%	50%	50%	50%
Accolade PL XXVIII sp. z o.o.	Poland	50%	50%	50%	50%
Accolade PL XXXV sp. z o.o.	Poland	50%	50%	50%	50%
Accolade PL XXXIX sp. z o.o.	Poland	50%	50%	50%	50%
Accolade CZ 78, s.r.o., člen koncernu	Czech Republic	50%	100%	50%	0%
Moravia GSA s.r.o.	Czech Republic	55%	55%	45%	45%
Accolade PL XXXVIII sp. z o.o.	Poland	55%	55%	45%	45%
Accolade PL 43 sp. z o.o.	Poland	55%	55%	45%	45%
Accolade PL 49 sp. z o.o.	Poland	55%	55%	45%	45%
ACCOLADE ALZ, S.L.	Spain	55%	55%	45%	45%
Accolade PL XXIX sp. z o.o.	Poland	60%	60%	40%	40%
Accolade PL XXXI sp. z o.o.	Poland	60%	60%	40%	40%
Accolade PL XXXII sp. z o.o.	Poland	60%	60%	40%	40%
Accolade PL XXXIV sp. z o.o.	Poland	100%	60%	0%	40%
Accolade PL XXXVI sp. z o.o.	Poland	60%	60%	40%	40%

Accolade PL XL sp. z o.o.	Poland	60%	60%	40%	40%
ACCOLADE MURC, S.L.	Spain	60%	60%	40%	40%
Accolade CZ 80, s.r.o., člen koncernu	Czech Republic	63%	63%	37%	37%
Accolade CZ 51, s.r.o., člen koncernu	Czech Republic	63%	63%	37%	37%
Accolade CZ XXXV, s.r.o., člen koncernu	Czech Republic	63%	63%	37%	37%
Accolade CZ XXXIII, s.r.o., člen koncernu	Czech Republic	63%	63%	37%	37%
Industrial Center CR 4 s.r.o.	Czech Republic	63%	63%	37%	37%
Accolade PL 42 sp. z o.o.	Poland	63%	63%	37%	37%
ACCOLADE VITO, S.L.	Spain	65%	65%	35%	35%
Accolade CZ XXVII, s.r.o., člen koncernu	Czech Republic	70%	70%	30%	30%
Accolade PL XVII sp. z o.o.	Poland	-	70%	-	30%
Accolade PL XXI sp. z o.o.	Poland	70%	70%	30%	30%
Accolade PL XXII sp. z o.o.	Poland	70%	70%	30%	30%
Accolade PL XXX sp. z o.o.	Poland	70%	70%	30%	30%
Accolade CZ 50, s.r.o., člen koncernu	Czech Republic	71%	71%	29%	29%
Accolade PL XXVI sp. z o.o.	Poland	72%	100%	28%	0%

No dividends were paid to the NCI during the years ended 30 June 2024 and 31 December 2023.

Summarised aggregated financial information of subsidiaries grouped by the proportion of NCI, before intragroup eliminations, is set out below:

30 June 2024	Ownership% held by NCI							
CZK '000	28%	29%	30%	35%	37%	40%	45%	50%
Current assets	26 663	3 901	66 806	34 489	1 194 695	102 708	8 891	138 062
Non-current assets	155 396	161 467	1 431 221	476 176	2 615 514	2 585 055	1 136 171	1 923 837
Current liabilities	-163 291	-163 950	-1 510 168	-496 403	-3 641 029	-2 637 960	-1 084 761	-1 833 181
Non-current liabilities	0	-1 108	-2 253	0	-60 581	-2 007	0	-176 137
Accumulated non-controlling interests	5 255	90	-4 318	4 992	40 182	19 118	27 135	26 291
Revenues	3	5 141	37 903	7 593	45 098	46 027	2	68 512
Cost of revenues	-1 002	-446	-29 517	-2 315	-26 992	-38 605	-4 308	-33 579
Gross profit	-999	4 695	8 386	5 278	18 106	7 422	-4 306	34 933
Depreciation and amortization	0	-1 653	-10 315	-3 795	-18 007	-15 029	0	-26 995
Other income/expense	20 171	-726	-1 690	-961	45 716	-1 648	-2 908	-2 166
Profit from operations	19 172	2 316	-3 619	522	45 815	-9 255	-7 214	5 772
Financial income	2 810	20	111 855	255	46 508	163 055	76 972	67 060
Financial expense	-4 699	-6 679	-145 160	-19 514	-82 891	-197 228	-71 392	-107 158
Profit before tax	17 283	-4 343	-36 924	-18 737	9 432	-43 428	-1 634	-34 326
Income taxes	0	431	-392	0	709	24	0	2 558
Profit for the period after tax	17 283	-3 912	-37 316	-18 737	10 141	-43 404	-1 634	-31 768
Profit/(loss) allocated to NCI	4 839	-1 134	-11 195	-6 558	3 752	-17 362	-735	-15 884
Other comprehensive income allocated to NCI	0	0	0	0	0	0	0	0
Total comprehensive income allocated to NCI	4 839	-1 134	-11 195	-6 558	3 752	-17 362	-735	-15 884
Dividends paid to non-controlling interests	0	0	0	0	0	0	0	0
Cash flow from operating activities	0	0	0	0	0	0	0	0
Cash flow from investing activities	0	0	0	0	0	0	0	0
Cash flow from financing activities	96 391	0	-9 687	0	37 450	50 060	0	122 642
Net cash flow	96 391	0	-9 687	0	37 450	50 060	0	122 642

31 December 2023	Ownership% held by NCI						
	CZK '000	29%	30%	35%	37%	40%	45%
Current assets	3 825	183 885	21 840	382 730	254 771	7 662	139 792
Non-current assets	163 063	2 049 428	474 112	950 774	2 816 028	1 081 297	1 596 914
Current liabilities	-2 267	-28 237	-6 440	-162 613	-401 827	75	-233 170
Non-current liabilities	-159 405	-2 194 558	-457 005	-1 183 413	-2 622 640	-1 027 383	-1 479 685
Accumulated non-controlling interests	1 512	3 155	11 378	-4 633	18 533	27 743	11 925
Revenues	10 008	120 844	1 215	2 971	81 009	19	137 970
Cost of revenues	-748	-68 159	-4 397	-4 335	-49 880	-1 696	-76 316
Gross profit	9 260	52 686	-3 182	-1 364	31 129	-1 677	61 654
Depreciation and amortization	-3 306	-32 636	-6 043	-850	-31 279	0	-52 610
Other income/expense	-747	-25 337	-304	-3 920	-16 781	-781	-31 656
Profit from operations	5 207	-5 288	-9 529	-6 134	-16 930	-2 458	-22 613
Financial income	669	112 712	5 593	35 250	195 360	84 886	69 184
Financial expense	-12 417	-72 030	-44 713	-32 797	-105 308	-31 201	-66 053
Profit before tax	-6 540	35 394	-48 649	-3 681	73 122	51 227	-19 482
Income taxes	718	-666	12 438	-758	-3 244	0	-9 855
Profit for the period after tax	-5 822	34 728	-36 211	-4 440	69 878	51 227	-29 336
Profit/(loss) allocated to NCI	-1 688	10 419	-12 674	-1 643	27 951	23 052	-14 668
Other comprehensive income allocated to NCI	0	0	0	0	0	0	0
Total comprehensive income allocated to NCI	-1 688	10 419	-12 674	-1 643	27 951	23 052	-14 668
Dividends paid to non-controlling interests	0	0	0	0	0	0	0
Cash flow from operating activities	0	0	0	0	0	0	0
Cash flow from investing activities	0	0	0	0	0	0	0
Cash flow from financing activities	0	-23 735	0	160 808	84 593	0	0
Net cash flow	0	-23 735	0	160 808	84 593	0	0

30. NET FAIR VALUE RESULT ON INVESTMENT AND FINANCIAL INVESTMENTS

Net fair value result on investment property, investments in equity-accounted associates and other financial investments as at 30 June 2024 is summarised below:

CZK '000	30 June 2024 (before revaluation)	Change of fair value	30 June 2024
Investment property	16 606 415	353 062	16 959 477
Equity-accounted associates	980 394	73 765	1 054 159
Financial investments at fair value through profit and loss	2 209 765	-6 734	2 203 031
Total	19 796 574	420 093	20 216 667

A part of financial investments at fair value through profit and loss are investment stocks that Group has in Accolade Industrial Fund, sub-fund of Accolade Fund SICAV p.l.c. The numbers of stocks and their fair value for Class A and Class B were as follows:

CZK '000	Number of stocks as at 30 June 2024	Fair value as at 30 June 2024	Number of stocks as at 31 Dec 2023	Fair value as at 31 Dec 2023
Investment stocks – Class A	1 929	579 569	1 929	556 657
Investment stocks – Class B	463	1 609 146	82	628 547
Total	2 392	2 188 715	2 011	1 185 204

The fair value of quoted securities is based on market prices published by the Accolade Industrial Fund.

31. OTHER CURRENT LIABILITIES

CZK '000	30 June 2024	31 December 2023
Income Tax payable	9 447	31 549
Other tax payables	40 343	5 477
Employee related liabilities	35 341	33 774
Total other current liabilities	85 131	70 800

32. PROVISIONS

CZK '000	1 January 2024	Creation of provision	Reversal of provision	30 June 2024
Other	18 155	0	0	18 155
Total	18 155	0	0	18 155

CZK '000	1 January 2023	Creation of provision	Reversal of provision	31 Dec 2023
Other	138 498		120 343	18 155
Total	138 498		120 343	18 155

As at 30 June 2024 and 31 December 2023, respectively the Group recognised other provisions, which represent provision for the elimination of ecological burden in Vestec area in the amount of CZK 18 155 thousand.

33. GOVERNMENT GRANTS

In the first half of 2024, the Group received subsidies from the State Transport Infrastructure Fund in the amount of CZK 117 thousand for the purpose of protecting airport traffic from illegal acts. In particular, two portable thermal imaging devices were procured.

34. SHARE CAPITAL

Shares	Number of shares		CZK '000	
	30 June 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Ordinary shares of CZK 100 thousand each	24	24	2 400	2 400
Total Share Capital	24	24	2 400	2 400

The Group does not own its shares as at 30 June 2024 and 31 December 2023, respectively. The Group has a reserve fund amounted to CZK 664 ths. (31 December 2023: CZK 1 170 ths.), which was created from previous profits in preceding periods.

Share capital has been fully paid.

35. RELATED PARTY DISCLOSURES

Shareholders structure, subsidiaries and associates

Shareholders structure, interests in subsidiaries and associates are set out in Note 1.

The Group undertakes transactions with related parties on an arm's length basis.

The Group applies transfer prices for its business activities in conformity with market levels and in accordance with national and international tax requirements. The related party transactions performed by the Group form part of the Group's ordinary business activities in terms of their purpose and terms and conditions.

The Group does not operate with goods or products and the main transactions that have profit or loss impact on the result are services that are purchased from the third parties and reinvoiced to the entities in the Group (trade receivables and payables), services provided within the Group and interests on intercompany loans. Loans and borrowings are provided mainly with maturity period of 5 years and fixed interest rate.

For the purposes of presenting this information, the following are considered to be related parties:

- a) Shareholders: persons that owns shares in the mother company
- b) Associates: companies that are not fully controlled and minority owned by the Group (control of at least 20% of total share capital but less than 50% of share capital)
- c) Affiliates: companies that are not fully controlled and minority owned by the Group (control less than 20% of total share capital)
- d) Other related parties: other people, companies and entities related to the Group, e.g. joint venture partners or companies controlled (or jointly controlled) by key management personnel

Summary of the total amounts of transactions concluded with the Group's related parties:

CZK '000	Profit (+) or loss (-) impact		Receivables (+) / Payables (-) to Related parties	
	30 June 2024 Revenues/Costs	30 June 2023 Revenues/Costs	30 June 2024	31 December 2023
Executives	0	-340	1 216	67
Associates	45 633	63 186	1 707	4 407
Affiliates	7 444	6 149	301	1 491
Other related parties	221 840	117 481	136 457	317 081
Total	274 917	186 476	139 681	323 046

Outstanding balances of loans received from related parties:

CZK '000	Interest rate	Outstanding loan from Related parties including accrued interests	
		30 June 2024	31 December 2023
Executives	8%	154 124	155 483
Other related parties	7%	17 943	17 190
Other related parties	8%	4 045 847	3 867 648
Total		4 217 915	4 040 322

Outstanding balances of loans provided to related parties:

CZK '000	Related party	Interest rate	Outstanding loan to Related parties including accrued interests	
			30 June 2024	31 December 2023
	Other related party	7%	365	593
	Other related party	8%	31 274	159 784
	Associates	7%	0	169 814
	Associates	8%	1 338 795	817 072
	Affiliates	7%	7 172	6 650
	Affiliates	8%	180 509	169 003
Total			1 558 115	1 322 916

There have been no material changes to the Group's related party transactions during the period ended 30 June 2024 other than above mentioned. Based on the applied ECL model in the respect of related parties' receivables, no provision was made.

36. FUTURE COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Issued guarantees

As at the date of these Financial Statements the following guarantees were registered:

Guaranty issued for	Guaranty issued in favour of	Ground
Accolade CZ 52, s.r.o., člen koncernu	MONETA Money Bank, a.s.	Financial guarantee contracts
Accolade CZ 62, s.r.o., člen koncernu	Accolade CZ XVIII, s.r.o., člen koncernu	Financial guarantee contracts
Accolade CZ 67, s.r.o., člen koncernu	MONETA Money Bank, a.s.	Financial guarantee contracts
Accolade CZ 70, s.r.o., člen koncernu	PPF banka a.s.	Financial guarantee contracts
Accolade CZ 83, s.r.o., člen koncernu	Panattoni Czech Republic Development s.r.o.	Commercial relations
Accolade CZ XIX, s.r.o., člen koncernu	Wacker-Chemie, s.r.o.	Commercial relations
Accolade CZ XL, s.r.o., člen koncernu	MONETA Money Bank, a.s.	Financial guarantee contracts
Accolade CZ XVIII, s.r.o., člen koncernu	Česká spořitelna, a.s.	Financial guarantee contracts
Accolade CZ XVIII, s.r.o., člen koncernu	Česká spořitelna, a.s.	Financial guarantee contracts
Accolade CZ XVIII, s.r.o., člen koncernu	H&M Services CZ s.r.o.	Commercial relations
Accolade CZ XXXIII, s.r.o., člen koncernu	Česká spořitelna, a.s.	Financial guarantee contracts
Accolade CZ XXXV, s.r.o., člen koncernu	MONETA Money Bank, a.s.	Financial guarantee contracts
Accolade PL XXXV sp. z o.o.	PPF banka a.s.	Financial guarantee contracts
Accolade Portfolio I, s.r.o., člen koncernu	PPF banka a.s.	Financial guarantee contracts
Accolade SK III, s. r. o.	TRINITY BANK a.s.	Financial guarantee contracts
Accolade, s.r.o.	Various entities	Commercial relations
Letiště Brno, a.s.	Raiffeisenbank a.s.	Financial guarantee contracts
Industrial Center CR 2 s.r.o.	Banka CREDITAS a.s.	Financial guarantee contracts
Accolade Finance Cheb, s.r.o., člen koncernu	Various entities	Commercial relations
Accolade Finance CZ s.r.o., člen koncernu	Various entities	Commercial relations
Accolade Finance Okrouhlá, s.r.o., člen koncernu	Various entities	Commercial relations
Accolade CZ XIV, s.r.o., člen koncernu	Various entities	Commercial relations

37. PLEDGES

As at the date of these Financial Statements, some of the assets of the following companies were pledged in favour of their lenders:

Company name	Pledge in favour of
Accolade BUR, S.L.	BANCO SANTANDER, S.A.
Accolade CZ 45, s.r.o., člen koncernu	Česká spořitelna, a.s.
Accolade CZ 50, s.r.o., člen koncernu	Banka CREDITAS a.s.
Accolade CZ 52, s.r.o., člen koncernu	MONETA Money Bank, a.s.
Accolade CZ 61, s.r.o., člen koncernu	Komerční banka, a.s.
Accolade CZ 67, s.r.o., člen koncernu	MONETA Money Bank, a.s.
Accolade CZ 68, s.r.o., člen koncernu	TRINITY BANK a.s.
Accolade CZ 70, s.r.o., člen koncernu	PPF banka a.s.
Accolade CZ 76, s.r.o., člen koncernu	Conseq Funds investiční společnost, a.s.
Accolade CZ XL, s.r.o., člen koncernu	MONETA Money Bank, a.s.
Accolade CZ XVIII, s.r.o., člen koncernu	Česká spořitelna, a.s.
Accolade PL 42 sp. z o.o.	Alior Bank S.A.
Accolade PL 44 sp. z o.o.	Bank Pekao S.A.
Accolade PL VI sp. z o.o.	Alior Bank S.A.
Accolade PL XXI sp. z o.o.	Santander Bank Polska S.A.
Accolade PL XXIX sp. z o.o.	Bank Pekao S.A.
Accolade PL XXVI Sp. z o.o.	mBank S.A.
Accolade PL XXXI sp. z o.o.	Santander Bank Polska S.A.
Accolade PL XXXIV sp. z o.o.	Santander Bank Polska S.A.
Accolade PL XXXV sp. z o.o.	PPF banka a.s.
Accolade PL XXXVI sp. z o.o.	Santander Bank Polska S.A.
Accolade VITO, S.L.	Alteralia Real Estate Debt, FIL
Brno Airport Park, a.s.	Raiffeisenbank a.s.
Industrial Center CR 2 s.r.o.	Banka CREDITAS a.s.
Industrial Center CR 4 s.r.o.	Česká spořitelna, a.s.
Letiště Brno a.s.	Raiffeisenbank a.s.
Accolade Holding, a.s.	Banka CREDITAS a.s.
Accolade CZ XXVII, s.r.o., člen koncernu	Commercial relations
Accolade CZ XXXV, s.r.o., člen koncernu	MONETA Money Bank, a.s.
Accolade SK III, s.r.o.	TRINITY BANK a.s.
Accolade CZ XXXIII, s.r.o., člen koncernu	Česká spořitelna, a.s.
Accolade Portfolio I, s.r.o. , člen koncernu	PPF Banka, a.s.

38. FINANCIAL RISK MANAGEMENT

The Group's operations expose it to a variety of financial risks that include currency risk, interest rate risk, credit risk and liquidity risk.

In respect to the currency risk, the Group primarily focuses on natural hedging, trying to match a currency structure of assets and liabilities. Industrial properties are leased in Euro and thus bank loans financing these assets are denominated in Euro as well. Rental income of the existing portfolio is the subject of continuous monitoring and is indexed on annual basis in order to be align with market prices and reflect economic reality. Borrowings, cash and cash equivalents and liquid investments are used to finance operational activities. The Group's cash flow is carefully monitored on a daily basis. Excess cash, considering expected future cash flows, is placed on either short- or long-term deposits to maximize the interest income thereon.

The Group is also implementing hedge accounting in order to eliminate or reduce it's exposure to currency risk. Each company in the Group individually assessed the volume of transactions in foreign currency, and in cases, where hedge accounting proved to be highly effective prepare documentation according to the general requirements.

Interest rate risk is mitigated either by fixed interest rates of the long-term investment loans or by using interest rate derivative instruments, mostly interest rate swaps.

The responsibility for monitoring financial risk management is with Group's CFO. The policies are implemented by the Group's finance departments. The Group has a treasury policy and procedures that set out specific guidelines to manage such market risks as currency risk, interest rate risk, credit risk and liquidity risk, and also sets out circumstances where it would be appropriate to use financial instruments to manage these. When assessing hedging effectiveness, the Group uses qualitative and quantitative methods.

Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to maintain sufficient financial resources to mitigate against risks and unforeseen events.

38.1. Currency risk

The Group's earnings and liquidity are affected by fluctuations in foreign currency exchange rates, principally in respect of the euro and Polish zloty, reflecting the fact that part of its revenues and cash receipts are denominated in euro and Polish zloty, while a significant proportion of its costs are settled in Czech crown. The Group seeks to use currency exchange contracts and currency options to manage the EUR/CZK and PLN/CZK risks as appropriate, by monitoring the timing and value of anticipated euro and PLN receipts in comparison with its requirement to settle certain expenses in EUR and PLN. The Group reviews the resulting exposure on a regular basis and evaluates use of hedges to minimize this exposure using currency exchange contracts and currency options for the sale of EUR and PLN as appropriate.

The Group is also exposed to currency risk in respect of the foreign currency denominated assets and liabilities of its abroad subsidiaries. At present, the Group does not consider this to be a significant risk since the Group does not intend to move assets between group companies.

The Group has elected not to apply hedge accounting, and all movements in the fair value of derivative foreign exchange instruments are recorded in the income statement, offsetting the foreign exchange movements on the accounts receivable, cash and cash equivalents and short-term deposits balances being hedged.

Financial assets and liabilities include cash and cash equivalents, trade and other receivables and interest-bearing loans and borrowings, trade and other payables, lease liabilities and other current liabilities.

All remaining assets and liabilities in foreign currencies are immaterial or not subject to exchange rate exposure (such as property, plant and equipment).

The following table shows financial assets and liabilities in individual currencies and net currency position:

30 June 2024 (CZK '000)	CZK	EUR	Other
Trade and other receivables	188 896	1 557 398	60 666
Non-Current assets	188 896	1 557 398	60 666
Trade and other receivables	131 300	500 182	240 555
Cash and cash equivalents	1 450 252	756 754	130 824
Current assets	1 581 552	1 256 936	371 379
Loans from the third parties	3 938 425	13 557 479	0
Trade and other payables	566 094	0	0
Other non-current liabilities	767 018	0	0
Non-current liabilities	5 271 537	13 557 479	0
Loans from the third parties	761 967	2 242 276	0
Trade and other payables	755 801	3 965 331	468 313
Other current liabilities	54 413	68 925	2 917
Current liabilities	1 572 180	6 276 532	471 231
Total 30 June 2024	-5 073 269	-17 019 678	-39 186
31 December 2023 (CZK '000)	CZK	EUR	Other
Trade and other receivables	1 090 237	399 033	7 363
Non-Current assets	1 090 237	399 033	7 363
Trade and other receivables	235 846	531 032	34 690
Cash and cash equivalents	148 211	569 652	33 575
Current assets	384 058	1 100 685	68 264
Loans from the third parties	943 696	13 556 877	0
Trade and other payables	1 495 225	1 007 982	-141
Other non-current liabilities	830 411	0	0
Non-current liabilities	3 269 331	14 564 859	-141
Loans from the third parties	324 979	1 702 145	0
Trade and other payables	547 104	1 503 479	46 991
Other current liabilities	79 171	42 732	-1 091
Current liabilities	951 253	3 248 355	45 900
Total 31 December 2023	-2 746 290	-16 313 496	29 869

The table below presents the sensitivity of the profit before tax to a hypothetical change in EUR, USD and PLN currencies and the impact on assets and liabilities of the Group. The sensitivity analysis is prepared under the assumption that the other variables are constant.

Effect on profit before tax for the period 1 January – 30 June 2024 and the year 2023 (CZK '000):

Currency	% change	30 June 2024	31 Dec 2023
EUR	+/- 5.0%	-/+ 21 300 127	-/+ 20 167 560
USD	+/- 5.0%	n/a	+/- 318
PLN	+/- 5.0%	+/- 11 384	+/- 8 423

38.2. Interest rate risk

The Group's objective for interest rate risk management is to reduce interest-rate risk through a combination of financial instruments, which lock in interest rates on debt and by matching a proportion of floating rate assets with floating rate liabilities. In line with the above interest rate risk management strategy, the Group has entered into a series of interest rate swaps and interest rate caps to hedge against fluctuations in interest rates for certain floating rate financial arrangements and certain other obligations.

Floating interest rates on financial liabilities are referenced to European interbank interest rates (EURIBOR). Secured long-term debt and interest rate swaps typically re-price on a quarterly basis. The Group uses current interest rate settings on existing floating rate debt at each year-end to calculate contractual cash flows. Fixed interest rates on financial liabilities are fixed for the duration of the underlying structures.

38.3. Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

At 30 June 2024 and 31 December 2023, the Group had no significant concentrations of credit risk. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed periodically by the directors.

The credit risk is primarily assessed in connection with the tenants whom the Group is leasing space in its buildings. Prior to entering the lease contract, the tenant's credit worthiness is assessed with help of external credit rating reports. Apart from this the Group is performing its own financial analysis of the tenant which is then performed on a regular basis in the future as part of the credit monitoring process.

The lease contracts with tenants typically contain requirement for either a bank or parent company guarantee securing rental payments. Alternatively, a rental deposit might be in place.

The Group would consider a significant increase of the credit risk of the counterparty if it was overdue with a payment for more than 3 months. If the receivable was not paid in 6 months, it would be considered as a default of the counterparty.

The Group markets and sells to a relatively small number of customers with individually large value transactions. The Group performs credit checks on all customers (other than those paying in advance) in order to assess their creditworthiness and ability to pay its invoices as they become due. As such, the balance of accounts receivable not owed by large companies is still deemed by the directors to be of low risk of default due to the nature of the checks performed on them, and accordingly a relatively small allowance against these receivables is in place to cover this low risk of default.

The Group generally does not require collateral on accounts receivable, as many of its customers are large, well-established companies. The Group has not experienced any significant losses related to individual customers or groups of customers in any particular industry or geographic area. No credit limits were exceeded during the reporting period and the directors do not expect any significant losses from non-performance by these counterparties, other than those already provided for.

38.4. Liquidity risk

The Group's policy is to maintain balances of cash and cash equivalents and short- and long-term deposits and similar instruments, such that highly liquid resources exceed the Group's projected cash outflows at all times. Surplus funds are placed on fixed- or floating-rate deposits depending on the prevailing economic climate at the time (with reference to forward interest rates) and also on the required maturity of the deposit (as driven by the expected timing of the Group's cash receipts and payments over the short to medium term).

Management monitors rolling forecasts of the Group's short and medium-term expected cash flows. This is carried out at both a local and a Group level with the local subsidiaries being funded by the Group as required.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (CZK '000):

30 June 2024	Less than	3 to 12	1 to 5	More than	Total
	3 months	months	years	5 years	
Interest-bearing loans and borrowings	25 010	2 979 233	16 967 257	528 648	20 500 147
Other financial liabilities	64 194	62 062	125 380	641 638	893 274
Trade and other payables	1 115 634	1 784 972	2 854 932	0	5 755 539
Total	1 204 838	4 826 267	19 947 569	1 170 286	27 148 960

31 December 2023	Less than	3 to 12	1 to 5	More than	Total
	3 months	months	years	5 years	
Interest-bearing loans and borrowings	657 387	1 369 737	11 413 226	3 087 348	16 527 698
Other financial liabilities	25 639	95 172	125 380	705 031	951 222
Trade and other payables	721 695	1 418 886	2 460 057	0	4 600 639
Total	1 404 721	2 883 796	13 998 663	3 792 379	22 079 559

From the maturity analysis it is seen that the most significant group is interest bearing loans and borrowings. That loans and borrowings are repayable mainly in the range of one of five years. The Group expects to meet those liabilities from operating cash flows and income from maturing financial assets. To manage liquidity, the Group uses a combination of cash inflows from financial assets and available bank resources. In terms of cash flow there is no imminent risk that the Company and its subsidiaries will not be able to meet its maturing liabilities.

The table above also include an analysis of the maturity of leasing liabilities and does not include derivative financial liabilities.

38.5. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an appropriate capital structure to have sufficient capital to make strategic investments, including acquisitions. The capital structure of the Group consists of cash and cash equivalents, short- and long-term deposits, and capital and reserves attributable to owners of the Group, as disclosed on the consolidated statement of the financial position.

The Group's strategy is to have a capital structure that considers opportunities to invest in long-term profitable growth, prevailing trading conditions and the desire to improve balance sheet efficiency over time. The Group did not pay out dividend and does not expect to pay any dividend in foreseeable future. The capital structure is continually monitored by the Group.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 3.0. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

CZK '000	30 June 2024	31 December 2023
Interest-bearing loans and borrowings	20 500 147	16 527 697
Trade and other payables	5 755 539	4 600 639
Less: cash and short – term deposits	2 337 829	751 439
Net debt	23 917 857	20 376 897
Equity (resp. Net assets)	11 299 274	10 684 748
Net debt and Net assets	35 217 131	31 061 645
Gearing ratio*	1,47	1,52

39. DERIVATIVE FINANCIAL INSTRUMENTS

Although a certain degree of risk is inherent in the Group's business activities as it was described above, the Group efforts to minimize risks as low as reasonably and for these purposes uses derivative financial instruments. The fair value of derivatives is determined using observable market inputs based on valuations provided by banks and as such the Group had included derivatives in Level 2 of fair value hierarchy. Resulting gains and losses are taken to other reserves.

Derivative contract	Nominal amount (EUR '000)	Maturity date	Carrying amount of derivatives		Change in fair value of designated hedging instruments	
			30 June 2024	31 Dec 2023	30 June 2024	31 Dec 2023
(CZK '000)						
FX Forward	12 000	28 March 2024	0	18 354	0	3 068
Interest rate swap	10 000	31 March 2027	8 847	6 960	1 887	-7 556
Interest rate swap	29 750	31 December 2029	-4 073	0	-4 073	0
Interest rate swap	3 425	10 September 2026	0	3 887	0	3 887
Interest rate swap	5 690	31 August 2027	0	2 492	0	2 492
Interest rate swap	46 000	16 September 2030	-34 983	-81 281	46 298	-81 281
Interest rate swap	7 592	27 September 2028	-23 319	-9 163	-14 156	-9 163
Interest rate CAP	8 050	23 January 2029	4 056	4 009	47	4 009
Interest rate CAP	10 500	29 May 2026	2 063	1 893	170	1 893

The uses and related values of derivative financial assets and liabilities are summarized in the following tables per category:

Derivative financial assets

CZK '000	30 June 2024	31 December 2023
Interest rate derivatives - cash flow hedges	14 965	19 240
Forward foreign exchange contracts – cash flow hedges	0	18 354
Total derivative financial assets	14 965	37 594

Maturity of the nominal amounts of the instruments is set out below:

30 June 2024	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
CZK '000					
Interest rate derivatives	0	0	14 965	0	14 965
Forward foreign exchange contracts	0	0	0	0	0
Total	0	0	14 965	0	14 965

Maturity of the nominal amounts of the instruments is set out below:

31 December 2023	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
CZK '000					
Interest rate derivatives	0	0	15 231	4 009	19 240
Forward foreign exchange contracts	18 354	0	0	0	18 354
Total	18 354	0	15 231	4 009	37 594

Derivative financial liabilities

CZK '000	30 June 2024	31 December 2023
Interest rate derivatives - cash flow hedges	62 375	90 443
Total derivative financial liabilities	62 375	90 443

Maturity of the nominal amounts of the instruments is set out below:

30 June 2024	Less than	3 to 12	1 to 5	More than	
CZK '000	3 months	months	years	5 years	Total
Interest rate derivatives	0	0	0	62 375	62 375
Total	0	0	0	62 375	62 375

31 December 2023	Less than	3 to 12	1 to 5	More than	
CZK '000	3 months	months	years	5 years	Total
Interest rate derivatives	0	0	9 163	81 281	90 443
Total	0	0	9 163	81 281	90 443

None of concluded transactions were entered into for trading or speculative purposes.

40. KEY MANAGEMENT COMPENSATION AND DIRECTORS' REMUNERATION

The directors are of the opinion that the key management of the Group comprises the executive and non-executive directors of Accolade Holding, a.s. These persons have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. As at June 30, 2024, key management comprised of 10 people (2023: 7).

The aggregate amounts of key management compensation are set out below:

CZK '000	30 June 2024	30 June 2023
Salaries and short-term employee benefits	7 788	4 597
Total	7 788	4 597

The Group does not offer termination benefits, post-employment benefits or any other long-term compensation for key management personnel.

The outstanding liabilities and accruals related to key management are set out below:

CZK '000	30 June 2024	30 June 2023
Bonus accrual	0	0
Total	0	0

41. EMPLOYEE INFORMATION

The average number of persons, including executive directors and freelancers, employed by the Group:

Business line	30 June 2024	30 June 2023
Development	66	25
Airport	211	194
General and administrative	69	64
Total	346	283

Employee benefit expenses:

CZK '000	30 June 2024	30 June 2023
Wages and salaries	117 739	97 123
Social security and health insurance	35 709	28 907
Social cost	4 550	2 877
Other	600	480
Total	158 598	129 387

42. SUBSEQUENT EVENTS

The impact of events that occurred between the balance sheet date and the date of the Financial Statements preparation is recognized in the Financial Statements provided these events provide additional evidence about conditions that existed at the date of the balance sheet.

If material events reflecting the facts occurring after the balance sheet date happened between the balance sheet date and the date of the Financial Statements preparation the consequences of these events are disclosed in the notes to the Financial Statements but not recognized in the Financial Statements.

No event materially affecting the financial position of the group occurred between the balance sheet date and the date of preparation of the Financial Statements. No other events have occurred after the end of the reporting period that would require adjusting the amounts recognised and disclosures made in the separate Financial Statements.

Companies established in 2024, after 30 June, with 100% ownership of Accolade Holding a.s.:

Company name	Establishment date	Country
Accolade CZ 91, s.r.o.	17.7.2024	Czech Republic
Accolade CZ 92, s.r.o.	17.7.2024	Czech Republic
Accolade CZ 93, s.r.o.	17.7.2024	Czech Republic
Accolade CZ 94, s.r.o.	17.7.2024	Czech Republic
Accolade CZ 95, s.r.o.	17.7.2024	Czech Republic

Changes in the Group structure in 2024, after 30 June:

Company name	Change in ownership interest	Country
Accolade CZ 88, s.r.o., člen koncernu	-50%	Czech Republic

43. MANAGING DIRECTOR DECLARATION

The Group's managing director declares that, according to the best of his knowledge, the Financial Statements for the period ended 30 June 2024 of Accolade Holding, a.s. gives a true and fair view of the financial position, business activities and financial performance of the Group for the period ended 30 June 2024 and of the outlook for the future development of its financial position, business activities and financial performance.

.....

Milan Kratina

Member of the Board, CEO

Accolade Holding, a.s.

.....

Zdeněk Šoustal

Member of the Board

Accolade Holding, a.s.

REPORT ON REVIEW OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

to the Shareholders of Accolade Holding, a.s.

Introduction

We have reviewed the accompanying interim consolidated financial statements of Accolade Holding, a.s., with its headquarters at Sokolovská 394/17, Karlín, 186 00 Praha 8, Czech Republic, IC (Registration Number) 286 45 065, and its subsidiaries (hereafter the Company), which comprise interim consolidated statement of financial position as at 30. 6. 2024, the interim consolidated statement of profit or loss and other comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the period from 1. 1. 2024 to 30. 6. 2024 and notes to the interim consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereafter the interim consolidated financial statements).

The Management Board of the Company is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU.

Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the financial position of the Company as at 30. 6. 2024, and of its financial performance and its cash flows for the period from 1. 1. 2024 to 30. 6. 2024 in accordance with International Financial Reporting Standards as adopted by the EU.

Prague, 27. 9. 2024

Audit firm:

Partner:

BDO Audit s. r. o.
Certificate No. 018

Jiří Sedláček
Certificate No. 2550

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