

Accolade CZ 79, s.r.o., člen koncernu

Financial Statements for the period 1 January 2023 – 31 December 2023 prepared
in accordance with International Financial Reporting Standards as adopted by EU

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

(CZK '000)	Notes	2023	2022
Revenues		0	0
Cost of revenues	7	- 77	- 7
Gross profit		- 77	- 7
Financial expense	7	- 6	- 3
Profit before tax		- 83	- 10
Income taxes		0	0
PROFIT (LOSS) FOR THE PERIOD		- 83	- 10
OTHER COMPREHENSIVE INCOME		0	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		- 83	- 10

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

(CZK '000)	Notes	31 DEC 2023	31 DEC 2022
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	16	16
Trade and other receivables	9	15	0
TOTAL CURRENT ASSETS		31	16
TOTAL ASSETS		31	16

(CZK '000)	Notes	31 DEC 2023	31 DEC 2022
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables		0	2
TOTAL CURRENT LIABILITIES		0	2
NON-CURRENT LIABILITIES			
Loans and borrowings	10	100	0
TOTAL NON-CURRENT LIABILITIES		100	0
EQUITY			
Share capital	11	24	24
Retained earnings and losses		-10	0
Profit (Loss) for the period		- 83	- 10
TOTAL EQUITY		- 69	14
TOTAL LIABILITIES AND EQUITY		31	16

The notes on pages 5 to 11 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(CZK '000)	Share capital	Retaining earnings and losses	Net result of the period	Total equity
Balance at 29 August 2022	24	-	-	24
Loss	-	-	- 10	- 10
Other comprehensive Income	-	-	-	-
Total comprehensive income for the period	-	-	-10	-10
Balance at 31 December 2022	24	-	- 10	14
Transfer of loss to retained earnings	-	- 10	10	-
Loss	-	-	- 83	- 83
Other comprehensive Income	-	-	-	-
Total comprehensive income for the period	-	-	-83	-83
Balance at 31 December 2023	24	- 10	- 83	- 69

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
Profit (Loss) for the period before tax	7	- 83	- 10
Increase in trade and other receivables	9	- 15	0
Increase/(decrease) in trade and other payables		- 2	2
Net cash flows from operating activities		- 100	- 8
Proceeds from issue of share capital	11	0	24
Proceeds from loans and borrowings	10	100	0
Net cash flows from financing activities		100	24
Net increase in cash and cash equivalents	8	0	16
Cash and cash equivalents at beginning of the period		16	0
Cash and cash equivalents at end of the period		16	16

The notes on pages 5 to 11 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY – 31 DECEMBER 2023
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1. REPORTING ENTITY

Company structure and identification

Accolade CZ 79, s.r.o., člen koncernu (“the Company”) is a limited liability company incorporated and registered in the Czech Republic with registered address at Sokolovská 394/17, Karlín, 186 00 Praha 8, Czech Republic. The Company was formed on 29 August 2022 and registered in Commercial Register kept by the Municipal court in Prague, section C, file 372200.

The principal business activity of the Company is rental of property, residential and non-residential premises. However currently the company is not actively involved in this activity and so no significant transactions are reported.

Ownership

As of 31 December 2023, the ownership structure of the Company was as follows:

Company	Registered address	Interest on share capital
Accolade Holding, a.s. IN: 28645065 Section B file 19102 kept by the Municipal court in Prague	Sokolovská 394/17, Karlín, 186 00 Praha 8, Czech Republic	100%

Statutory authority

Executive	Date
Milan Kratina	29 August 2022
Zdeněk Šoustal	29 August 2022

Information on independent auditor

The Financial Statements of the Company were audited by an independent auditor BDO Audit s.r.o.

2. GOING CONCERN

The Financial Statements for the year ended 31 December 2023 have been prepared assuming that the Company will continue to operate as a going concern.

3. BASIS OF PREPARATION

Statement of compliance

The Company prepares Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by European Union. These financial statements have been prepared for the year ended 31 December 2023.

The significant accounting policies adopted in the preparation of the financial statements are described in the Note 6.

Basis of measurement

The Financial Statements have been prepared on a historical cost basis. 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 Company’s functional and presentation currency. All amounts have been rounded to the nearest thousand (CZK ‘000), unless otherwise indicated.

4. APPLICATION OF NEW AND AMENDED STANDARDS

New and amended IFRS that are bindingly effective for accounting period beginning on January 1, 2023

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.

- Amendments to IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (issued on 23 May 2023)
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)
- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)

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 2023, but may be applied earlier.

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)
- Amendments to IAS 1 Presentation of Financial Statements:
 - Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020);
 - Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020);
 - Non-current Liabilities with Covenants (issued on 31 October 2022)

The management does not anticipate a significant impact of the above IFRS amendments.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)

New and amended IFRS issued by the International Accounting Standards Board (IASB), but not yet adopted by the EU.

As of the date of approval of these financial statements, the following standards, amendments and interpretations have not yet been approved by the European Commission for use in the EU:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)

The management does not anticipate a significant impact of the above IFRS amendments.

5. 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 preparation of 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.

There are no estimates and assumptions that have significant effect on the amounts recognized in the financial statements or risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. SIGNIFICANT ACCOUNTING POLICIES

6.1. 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.

6.2. Receivables

Trade and other receivables

Trade and other receivables are recognized at their nominal value which is deemed to be materially the same as the fair value and are settled within 12 months.

6.3. Liabilities

Trade and other payables

Trade and other payables are recognized at their nominal value which is deemed to be materially the same as the fair value and are settled within 12 months.

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.

6.4. 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.

As of 31 December 2023, the company had equity in the amount of -69 ths CZK, basic capital in the amount of 24 ths CZK and the unreimbursed loss of previous years (including the loss of 2023) in the amount of -93 ths CZK.

The company's goal is to secure external financing for the Accolade group through the issue of debt securities. Since the establishment of the company there are no active revenue-generating activities in 2022 and 2023 and until the preparation of the financial statements as of 31 December 2023, the Company has recorded primarily administrative costs associated with management of the Company and preparation costs related to the issuance of bonds. This is the reason, why the accounting result in both years represents a loss.

However, there are no doubts about the Company's ability to continue its business as a going concern. The following existence of the Company is connected to the issuance of bonds, which is planned by the company's management in 2024. The company's management believes that the fulfillment of these plans is realistic. And measures aimed at improving the company's financial stability, i.e. reducing the cumulative loss in relation to the share capital, are going to be adopted.

6.5. Current versus non-current classification

The Company 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 be 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 Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

6.6. Taxes

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 rate and tax law used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income.

6.7. Foreign currency transactions

There were no transactions denominated in foreign currencies in the period 1 January - 31 December 2023.

7. INCOME STATEMENT DISCLOSURES

Revenues

The Company did not generate any revenues for the disclosed period.

Expenses

Structure of expenses for the year ended 31 December 2023:

CZK '000	2023	2022
Professional services	77	7
Bank charges	6	3
Total	83	10

8. CASH AND CASH EQUIVALENTS

CZK '000	31 DEC 2023	31 DEC 2022
Cash at bank	16	16
Total Cash and cash equivalents	16	16

Bank balances are available on demand.

9. TRADE AND OTHER RECEIVABLES

There is VAT receivable as of 31 December 2023 in the amount of 15 ths CZK.

10. RELATED PARTY DISCLOSURE

There is the borrowing from the parent company Accolade Holding, a.s in the amount of 100 ths CZK as at 31 December 2023. The borrowing was provided at 15 December 2023 and repayment date is 31 December 2028. Interest costs for 2023 is reported in immaterial amount (192 CZK).

All services between related parties are provided for a remuneration being at arm's length.

11. SHARE CAPITAL

Name of parent company	Interest on share capital	31 DEC 2023	31 DEC 2022
Accolade Holding, a.s.	100%	24	24

The Company issued single equity share, which is held by the parent company Accolade Holding, a.s. The nominal value of this share is 24 000 CZK and has been paid in full. The Company has been established in the current period and the equity share was issued. Apart from that there has been no change in the number of equity shares issued during the period.

The Company hasn't another capital requirements.

12. SUBSEQUENT EVENTS

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 recognized and disclosures made in the separate financial statements.

13. FINANCIAL RISK MANAGEMENT

The Company's operations aren't exposed to any significant financial risks:

- Currency risk is not relevant. The Company's transactions are in CZK.
- Credit risk is immaterial. The Company has only VAT receivable to tax authority and cash fund is deposited by a creditable bank.
- Interest risk is immaterial. The Company has only intercompany loan with fix interest rate.

- Liquidity risk is not relevant. The Company reports no significant liabilities.
- Market risk is immaterial, since the development of market values of financial instruments does not have a direct impact on the valuation of financial instruments reported in the financial statement.

14. OTHER INFORMATION

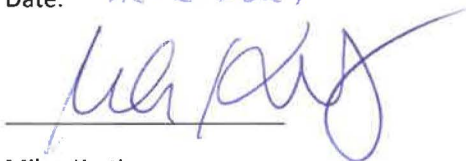
Accolade CZ 79, s.r.o., člen koncernu does not prepare an annual report as it is not obliged for the company to prepare and publish other financial and nonfinancial information in the form of an annual report pursuant to Act No. 563/1991 Coll., Act on Accounting, as amended, Section 21, Paragraph 1.

15. MANAGING DIRECTOR DECLARATION

The Company's managing director declares that, according to the best of his knowledge, the Financial Statements for the year ended 31 December 2023 of Accolade CZ 79, s.r.o., člen koncernu gives a true and fair view of the financial position, business activities and financial performance of the Company and of the outlook for the future development of its financial position, business activities and financial performance.

Date:

15.2.2024



Milan Kratina

Independent auditor's report

To the Sole Shareholder of Accolade CZ 79, s.r.o., člen koncernu

Audit opinion

We have audited the accompanying financial statements of Accolade CZ 79, s.r.o., člen koncernu, with its registered office at Sokolovská 394/17, Karlín, 186 00 Praha 8, identification number 174 73 268, (hereinafter also referred to as the "Company"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise the statement of financial position as at 31. 12. 2023, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 1. 1. 2023 to 31. 12. 2023 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Accolade CZ 79, s.r.o., člen koncernu as at 31. 12. 2023 and of its financial performance, other comprehensive income and its cash flows for the period from 1. 1. 2023 to 31. 12. 2023 in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under these regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 6.4 of financial statements, indicates that the Company incurred an accumulated loss of 93 kCZK for the financial year ended 31 December 2023 as of that date, the Company's liabilities exceeded its total assets by 69 kCZK.

As stated in Note 6.4, these events or conditions, along with other matters as set forth in the same Note, do not indicate any significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other information included in the Annual Report

In compliance with Section 2 (b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Representatives are responsible for this other information.

As stated in note 14 of the notes to the financial statements, Accolade CZ 79, s.r.o., člen koncernu does not prepare an annual report as it is not obliged for the company to prepare and publish other financial and nonfinancial information in the form of an annual report pursuant to Act No. 563/1991 Coll., Act on Accounting, as amended, Section 21, Paragraph 1. Accordingly, our opinion on the other information is not part of this auditor's report.

Responsibility of the Statutory Representatives of Accolade CZ 79, s.r.o., člen koncernu for the financial statements

The Statutory Representatives of Accolade CZ 79, s.r.o., člen koncernu are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the Statutory Representatives determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Representatives are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the Statutory Representatives either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Representatives.
- Conclude on the appropriateness of the Statutory Representative's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Representatives regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

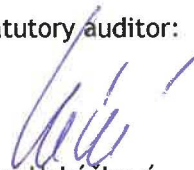
In Prague on 16 February 2024

Audit firm:

BDO Audit s.r.o.

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

Statutory auditor:



Jana Hubáčková
Certificate No. 2501

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