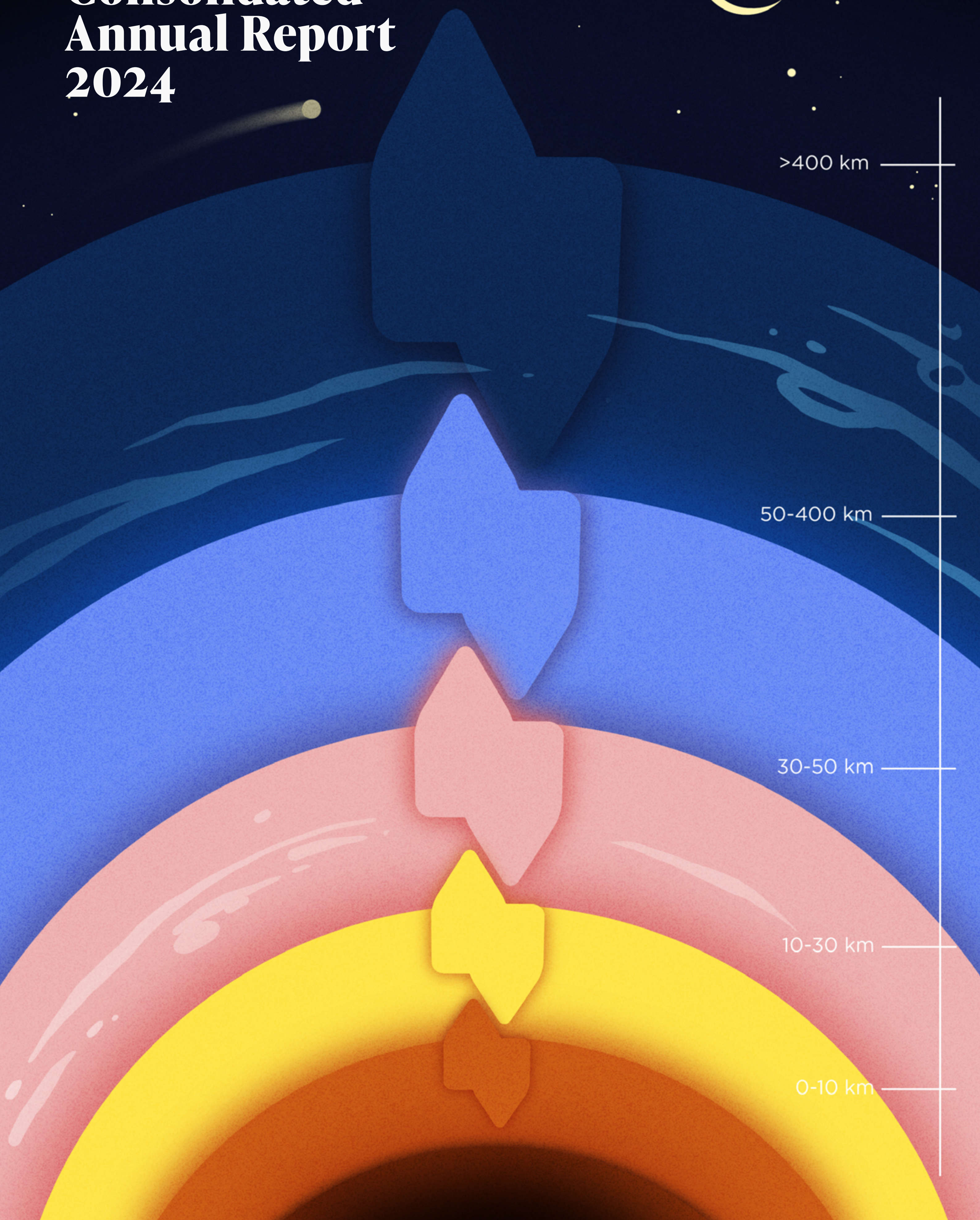
Accolade

Consolidated Annual Report 2024



Content

Foreword from the CEO

Milan Kratina
CEO, Accolade

Dear stakeholders,

As the CEO of Accolade, I am honored to reflect on a year that has tested the resilience of businesses across Europe and beyond. The year 2024 was marked by both stable growth and continuous expansion for our company, even as we navigated an evolving economic landscape shaped by global uncertainties and significant political shifts. While these changes have sparked questions about Europe's role in the global economy, we remain firm in our belief that Europe can and must continue to be a major player on the world stage. To achieve this, we must embrace innovation, adapt to new realities, and remain optimistic about the future.

At Accolade, our vision has always extended beyond mere expansion. Industrial real estate is the backbone of the economy—when businesses grow, so do we, and when challenges arise, we stand together with our partners to find solutions. The demand for modern, environmentally responsible industrial spaces continues to rise, and we are proud to meet this demand with cutting-edge, sustainable solutions that set new standards in our industry. Our commitment to revitalizing brownfields, integrating technology, and maintaining the highest sustainability certifications underscores our dedication to progress that benefits both businesses and communities. We take great pride in enabling companies to expand, innovate, and create jobs, knowing that our infrastructure supports industries that drive economic growth.

Despite the challenges of our time, we continue to move forward with confidence, proving that long-term vision and responsible investment are key to success. None of this would be possible without the dedication of our team, the trust of our investors, and the strong partnerships we have built over the years.

I sincerely thank you for your support and belief in our mission. Together, we will continue shaping a future where Europe remains competitive, innovative, and sustainable.

2024 Highlights

2024 GROWTH

Accolade made significant strides in terms of growth by the close of 2024, culminating in the completion of 223,372.53 m² of construction. This expansion brought its portfolio to a total of 3 million m² valued at an impressive 3.3 billion EUR. Over the course of the year, Accolade showcased its operational prowess by successfully leasing or renewing leases 326,706.82 m² of property.

Accolade's dynamic growth continued across key European markets. In the Czech Republic, development progressed with several important projects.

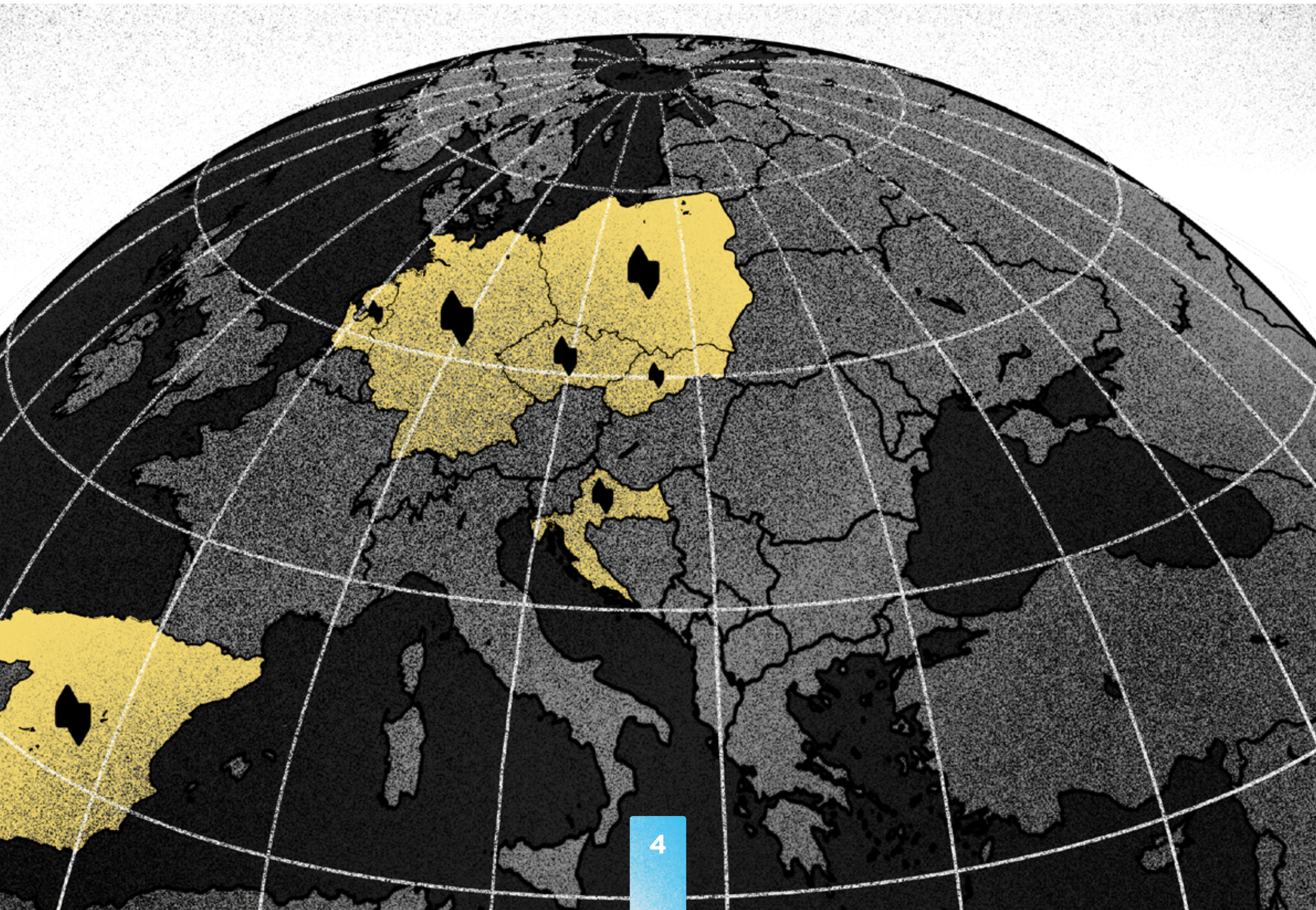
In Park Cheb East, a 60,905 m² facility was completed for Goodyear, strengthening the region's logistics infrastructure and attracting advanced manufacturing activity.

In Park Kladno, Hanon Systems expanded its presence with a newly delivered 20,941 m² building, further supporting the automotive supply chain in the area.

Additionally, in Park Zdice, a 12,260 m² facility was handed over to Vafo, a producer of premium pet food, marking another step forward in diversifying the local industrial base.

In Poland, growth was marked by the successful delivery of a 32,558 m² facility for Ceva Logistics in Park Piła, supporting the region's evolving role as a distribution and logistics hub.

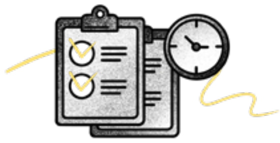
In Lublin Świdnik, Leciforce began operations in a new 3,342 m² space, further anchoring Accolade's presence in Eastern Poland.



2024 HIGHLIGHTS

GREEN BONDS

Accolade became the first corporate issuer of green bonds in Czech crowns, launching its first public issue with a five-year maturity and an 8% annual interest rate. Listed on the Prague Stock Exchange, the bonds attracted record demand from institutional and retail investors. Initially planned at CZK 1.5 billion (approx. EUR 60 million), the issue sold out in a week, leading to an increased volume of CZK 3 billion (approx. EUR 120 million).



NEW KEY MANAGEMENT ROLES

Accolade reinforced its leadership team with two key appointments. Eduard Piňos joins as Chief Marketing Officer, bringing a strategic vision to elevate the company's brand and market influence.

Ivana Barać takes on the role of Commercial Director for Accolade Croatia, driving growth and expansion in this key region. These appointments underscore Accolade's commitment to strong leadership and sustainable development across European markets.

GREEN LOANS

Accolade has obtained high-value loans totaling nearly EUR 500 million for its construction projects and refinancing of existing projects. Importantly, financing agreements were conducted with a strong emphasis on Environmental, Social, and Governance (ESG) elements, adhering to the EU Taxonomy.

Presentation of Accolade

PRESENTATION OF ACCOLADE

Accolade Holding, a. s., ("the Company") is a joint-stock company and was registered on 23 December 2010 in the Czech Republic. Its registered office is Sokolovská 394/17, Karlín, 186 00 Praha 8, Czech Republic and its identification number is 28645065. The Company is recorded in the Commercial Register kept by the Municipal Court in Prague (Czech Republic), section B, Insert No. 19102. The registered capital of the Company totaled CZK 2.4 million and comprised 24 common registered shares with a nominal value of CZK 100,000 each.

OWNERS

CZ

MILAN KRATINA

CEO, MEMBER OF THE BOARD OF DIRECTORS
SINCE 26 MARCH 2018

Milan Kratina founded Accolade Group in 2011, developing it from the ground up into a powerhouse of modern industrial facilities serving e-commerce, manufacturing, and logistics sectors. In 2014, he co-established the Accolade Industrial Fund, which now counts over 3,000 investors. Under the leadership of Kratina, a law graduate from Brno, Accolade has evolved into a major force in Europe's industrial infrastructure landscape, expanding from its Czech origins (where it created the world's most eco-friendly warehouse in Cheb) to establish a presence across Poland, Slovakia, Spain, Germany, Netherlands, and Croatia. Milan Kratina currently maintains 50% ownership of Accolade Holding, a.s.

CZ

ZDENĚK ŠOUSTAL

MEMBER OF THE BOARD OF DIRECTORS
SINCE 30 JANUARY 2019

Recognizing the potential of industrial infrastructure investments early on, Šoustal provided both financial backing and personal support to Milan Kratina in establishing his business. With his entrepreneurial experience, he became a vital force driving the group's expansion alongside Kratina. Today, he focuses on strategic management and maintaining relationships with key partners. Zdeněk Šoustal holds a 50% stake in Accolade Holding, a.s.

MANAGMENT

CZ

LUKÁŠ RÉPAL
CHIEF OPERATING OFFICER (COO)

With extensive professional experience in the industrial and commercial real estate market, complemented by significant experience managing large real estate projects in Dubai, Lukáš has taken on the role of the Group's Chief Operating Officer (COO). His main responsibility is to lead business and strategic management with a focus on developing foreign markets. In addition, he is responsible for ensuring that key activities such as location development, new investments, HR and marketing are working as they should.

CZ

JIŘÍ STRÁNSKÝ
HEAD OF DEVELOPMENT

In the past, Jiří has participated in dozens of major construction projects throughout the Czech Republic and after gaining experience in commercial development, he moved to the industrial field. At Accolade, he has managed to create a young and highly effective team that has contributed massively to the growth of the company. It is also thanks to them that tenants can enjoy top locations and onkey building from A to Z.

CZ

TOMÁŠ HANÁČEK
HEAD OF BUSINESS DEVELOPMENT

Tomáš brings years of diverse experience from various sectors within the financial industry. From building financial and technological startups to the administration of finance and financing for the corporate sector at the biggest European banks. As a result, he heads up the team responsible for looking after our investors, who have decided, along with Accolade Industrial Fund, to support the growth of modern industry in Europe.

CZ

TOMÁŠ PROCHÁZKA
CHIEF FINANCIAL OFFICER (CFO), MEMBER OF THE SUPERVISORY BOARD

With a rich background in managing the commercial real estate financing business for a major European bank in the Czech Republic and Slovakia, it was a seamless transition for him to assume the role of the Group's Chief Financial Officer (CFO) in 2018. Finance, accounting and project financing are in perfect condition under Tomáš's lead.

CZ

JITKA BORTLÍČKOVÁ

GROUP LEGAL COUNSEL

With extensive experience in real estate legal advocacy, Jitka exemplifies leadership that ensures comprehensive legal oversight across Europe, propelling Accolade's expansion in the industrial and logistics real estate sector. Her expertise includes representing leading European real estate entities and managing legal frameworks for strategic acquisitions and joint ventures.

PL

JOANNA SINKIEWICZ

GROUP COMMERCIAL DIRECTOR

With a wealth of experience in the property industry, Joanna plays a crucial role in driving the company's strategic objectives forward. She is entrusted with the important task of optimizing commercial strategies and fostering enduring relationships with clients and partners to achieve the company's objectives. Her responsibilities extend to overseeing projects from an asset management perspective across all the markets where Accolade operates.

CZ

EDUARD PIŇOS

CHIEF MARKETING OFFICER (CMO)

With almost 20 years of experience in global marketing strategy, Eduard Piňos leads Accolade's marketing efforts, ensuring consistent brand positioning and market expansion across Europe. Having spearheaded multinational teams and campaigns for global brands, he brings a deep understanding of international markets and diversified target audiences. His expertise in strategic marketing and investor engagement supports Accolade's sustainable growth in the industrial and logistics real estate sector.

HR

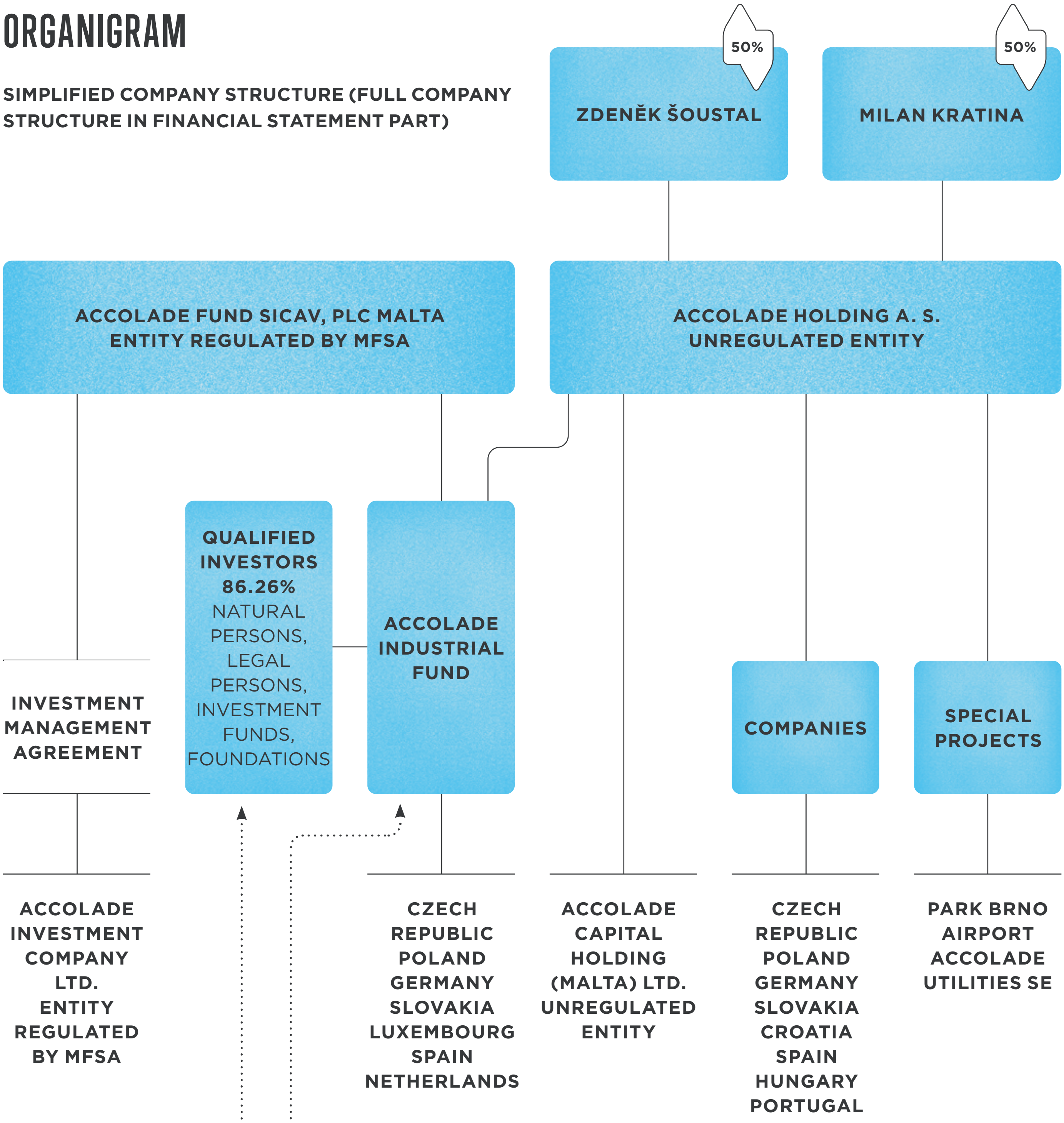
IVANA BARAĆ

COMMERCIAL DIRECTOR OF ACCOLADE CROATIA

Ivana Barać leads Accolade Croatia's commercial expansion following the opening of the new branch in Zagreb. With a strong background in financial analysis and investment strategies, she previously managed capital investments and supply chain optimization at a major regional food producer. Her expertise supports Accolade's mission to develop modern industrial infrastructure, driving economic growth and investment in Croatia.

ORGANIGRAM

SIMPLIFIED COMPANY STRUCTURE (FULL COMPANY STRUCTURE IN FINANCIAL STATEMENT PART)



Sub-fund

The assets, liabilities and equity of Accolade Industrial Fund are separate from the assets, liabilities and equity of Accolade Fund SICAV p.l.c.

Investor shares — held by investors of Accolade Industrial Fund. Founder shares — held by Accolade Holding, Inc. in Accolade Fund SICAV p.l.c.

ABOUT US

We currently operate in eight European countries, where we develop modern, sustainable infrastructure for leading e-commerce, manufacturing, and logistics brands. Together with our partners, we deliver industrial parks in the Czech Republic, Poland, Germany, Spain, the Netherlands, Slovakia, Croatia, and Hungary, pursuing an eco-friendly approach, as proven by Green Building Certification Systems. We also operate Brno-Tuřany airport, the second largest airport in the Czech Republic, serving more than half a million of passengers each year.

Accolade has built a portfolio of commercial properties with an area of more than 3.3 million m², which it leases to first-class tenants worldwide. We are planning on staying on the growth path in the most sustainable way possible while also creating societal benefits.

Accolade is a company focused on creating environmentally conscious portfolios in the real estate industry with green building certifications as a standard, such as BREEAM and DGNB. These certifications evaluate various aspects, including energy use, health and well-being, pollution, transport, water, materials, waste, ecology, and resilience. These certifications underscore the robust sustainability initiatives implemented.

Our goal is to develop modern parks with a strong emphasis on the revitalization of brownfield sites with a long-standing industrial tradition, while meeting the highest environmental standards. By 2024, over 1.1 mil. m² of GLA was delivered on brownfield sites revitalized by Accolade.

ACCOLADE IN SHORT

62 INDUSTRIAL PARKS IN 8 COUNTRIES

3.57 MIL. M² OF MANAGED PORTFOLIO

126 BUILDINGS (ALSO WITH BUILDINGS UNDER CONSTRUCTION) IN 62 INDUSTRIAL PARKS

3.35 BIL. € IN ASSET VALUE

19 REVITALIZED INDUSTRIAL AREAS 1,047,276.00 M² OF REVITALIZED BROWNFIELD SITES

FUND OF QUALIFIED INVESTORS MORE THAN 3,000 INVESTORS

ALL NEW ACCOLADE PROJECTS ARE OBLIGED TO HAVE THE GREEN BUILDING CERTIFICATION

BRNO-TUŘANY INTERNATIONAL AIRPORT

213 TENANTS (LIGHT MANUFACTURING, LOGISTICS AND E-COMMERCE)

POLYGON FOR THE DEVELOPMENT OF SELF-DRIVING VEHICLES (PLANNED)

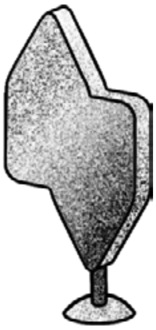
OUR MISSION, VALUES AND VISION

OUR MISSION

We are creating a European portfolio of modern, environmentally friendly industrial parks with a high proportion of revitalized brownfields, while appreciating our investors' assets. Together with our business partners, we contribute to the sustainable future of business in Europe. Our mission is not only to create value for our tenants, but also to be a responsible member of society, especially in the communities where we operate, and also to provide an inspiring environment for our employees. Apart from implementing projects in new locations, we also make long-term investments in the revitalization of neglected brownfield sites. These are often promising locations for future tenants because, due to their industrial history, they have excellent technological, energy, and transport infrastructure. We draw on tradition and redefine it, which is why we are able to create new business opportunities and make these regions a better place to live.

OUR VALUES

We are fully aware of our responsibilities towards our tenants, employees, business partners, and other partner organizations. Consequently, we created a strict Code of Ethics that guides everything we do. We fully support the principles of the UN Global Compact initiative, the UN Universal Declaration of Human Rights, and the 1998 International Labor Organization Declaration on Fundamental Principles and Rights at Work. We expect all partner institutions to adhere to these same ethical standards.



OUR VISION

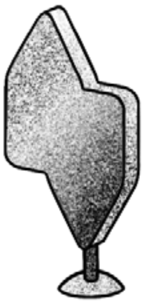
We are confident that we will continue to expand our operations into other strategic locations in Europe. Our modern parks, with a high share of revitalized brownfield sites with a long industrial tradition, will continue to meet the strictest standards in terms of the environment. With our continued and dedicated expertise, we will contribute to the development and economic growth of the regions in which we operate in the years to come.

OUR SUSTAINABILITY PERFORMACE

We wish to set an example—not only in terms of business, but also in terms of the social responsibility that forms an integral part of our corporate culture. Our priority is to be a trustworthy, responsible, and transparent company that adheres to sustainable development principles.

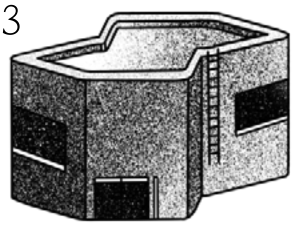
ENTERED THE CZECH MARKET

FOUNDED ACCOLADE



2011

2013



FOUNDED ACCOLADE HOLDING, A. S.

First building in the Czech Republic, Týniště

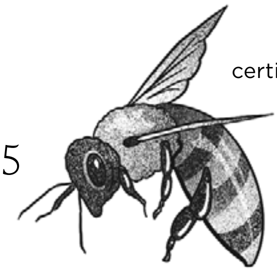
Park Stříbro, beginning of construction, Czech Republic

2014

FOUNDED ACCOLADE FUND SICAV

Czech Industrial Zone of the Year for Park Stříbro

2015



ENTERED THE POLISH MARKET

First park in Poland, Lublin

Began seeking BREEAM certification min. “Very Good” level

2016

First brownfield site in Poland, Szczecin

Best of Realty, 3rd place for BWI building

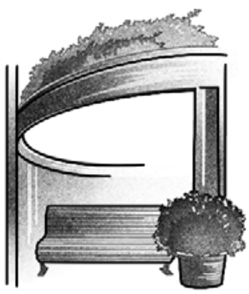
2017

Acquisition of Brno Airport

Start of self-driving car polygon authorization process

CIJ Awards 2017, Best Industrial Zone for Park Cheb

2018

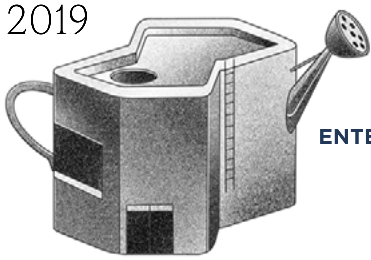


ENTERED THE GERMAN MARKET

First park in Germany, Alsdorf

First facility with BREEAM “Excellent” certification

2019



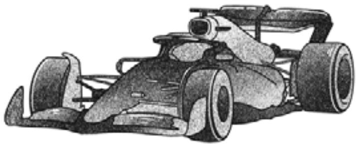
ENTERED THE SLOVAK MARKET

First park in Slovakia, Košice

“Fastest growing company in the Czech Republic” — The Financial Times

2020

ENTERED THE SPANISH MARKET



1 mil. m² in Poland

First facility with BREEAM “Outstanding” certification

First brownfield site in Germany, Bochum

Best of Realty award for Park Cheb South

Top Real Estate Fund for Accolade Fund Sicav

“3rd fastest growing company in the Czech Republic” — The Financial Times

2021

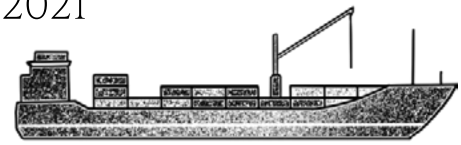
ENTERED THE DUTCH MARKET

100 Employees

Accolade Industrial Art

Festival Krumlov

CIJ Awards for Park Cheb South



2022

Opened an office in Spain

Began seeking BREEAM certification min. “Excellent”

1.5 mil. m² in Accolade Fund Sicav

CEEQA in Rising Star Awards 2022 category

Best of Realty Award, CIJ Awards and Estate Awards for Park Kojetín

2023

ENTERED THE CROATIAN MARKET

150 Employees

Opened an office in Szczecin

Launched the Accolade ESG Strategy 2027

Preparation of Green Financing Framework

Joined United Nations Global Compact

CEEQA in Rising Star Awards 2023 Category

Business Leader 2022 award

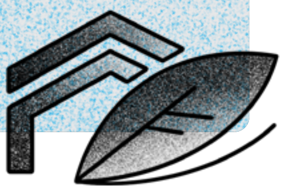
2024

Opened an office in Croatia

10th Anniversary of the Fund

Entered the Hungarian market

Issuance of green bonds



WHAT WILL FOLLOW?

TAILOR-MADE PARKS FOR GLOBAL BRANDS

WE ATTRACT GLOBAL BRANDS FROM THE LIGHT MANUFACTURING, LOGISTICS, AND E-COMMERCE SECTORS TO OUR MODERN AND SUSTAINABLE PARKS. WE BUILD PARKS THAT ARE TAILORED TO EACH TENANT AND ARE ABLE TO MEET EVEN THE MOST SPECIFIC REQUIREMENTS.

1

CAREFULLY SELECTED LOCATIONS

A good location has always been the key to our success. We carefully select locations that offer quality infrastructure and can boast a long industrial tradition. Our parks often replace old manufacturing sites that we have revitalized and given a new purpose.

2

BUILT IN LINE WITH SUSTAINABLE PRINCIPLES

We build parks in a considerate way and minimize environmental impacts. We are using sustainable technologies, incorporating smart solutions to ensure energy saving and water conservation. Our projects are certified according to DGNB and BREEAM standards, always aiming to achieve a rating of "Excellent" or at least "Very Good" (or equivalent).

3

GOOD NEIGHBORS

In the communities where we operate, we work with municipal governments to support civic amenities and local development. Our goal is to be a responsible partner, a good neighbor, and to generally make the regions a better place to live.

BRNO AIRPORT

Established in 2001, LETIŠTĚ BRNO, a.s. continues local civil aviation traditions. Its primary operations involve the long-term management of Brno-Tuřany Airport, the second largest airport in the Czech Republic. The company provides air transport-related services and is responsible for the maintenance and development of the airport to meet air transport needs. In addition to passenger flights, Brno-Tuřany also accommodates cargo transport, business aviation, private, and training flights.

Freight transport at Brno Airport has been stable for a long time. Two companies, FedEx and DHL, operate here and fly to their central transshipment points in Paris and Leipzig. Further connections to their route network are provided by the RFS (Road Feeder Service) systems of EVA Air, LOT and now also Qatar Airways. These cargo services effectively support the airport's long-term strategy as a multifunctional complex for all modes of air transport. In 2024, the total cargo handled was 11,800 tonnes, a slight increase from 2023.

Since joining Accolade Group in 2017, Brno Airport has experienced continuous growth, achieving record-breaking passenger numbers for two consecutive years. In 2024, the airport welcomed 749,153 passengers, marking a 9% increase from the previous record year. The busiest months were July and August, with over 333,000 travelers. Additionally, 2024 set a new milestone in connectivity, offering flights to 33 destinations across three continents, further strengthening Brno Airport's position as a key regional hub.

Brno Airport Park industrial zone, strategically located adjacent to the airport, is of significant importance to Accolade. By utilizing direct connections to the airport's runway system, the Park eliminates the need for cargo to be transferred from aircraft to vehicles, thereby streamlining the distribution process. This efficiency not only reduces costs for tenants but also eases traffic congestion on roads leading to the airport. In addition to air freight, the Park benefits from a railway siding directly to the airport area. The recent modernization of the entire Brno railway junction further enhances its appeal.

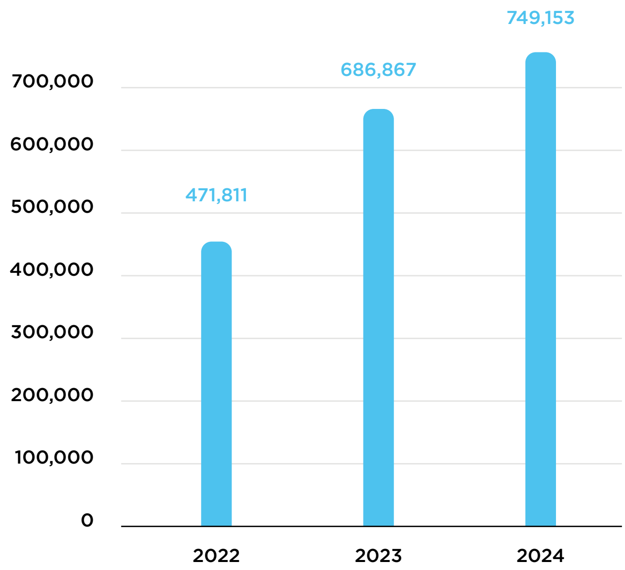
OPERATOR SINCE
2017

CHARTER FLIGHTS TO
33 DESTINATIONS
(ANOTHER 2 START FROM 2025)

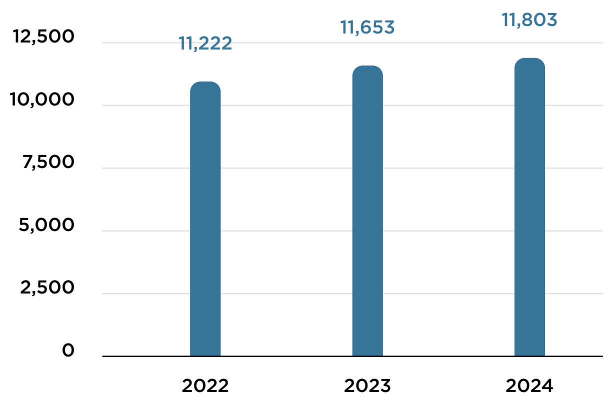
REGULAR CARGO SERVICES
DHL / FEDEX

BRNO AIRPORT IN NUMBERS

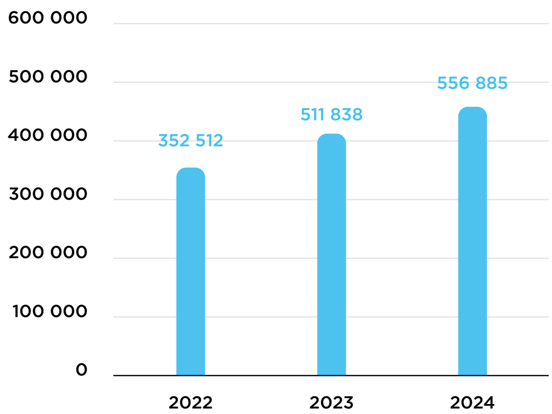
NUMBER OF PASSENGERS



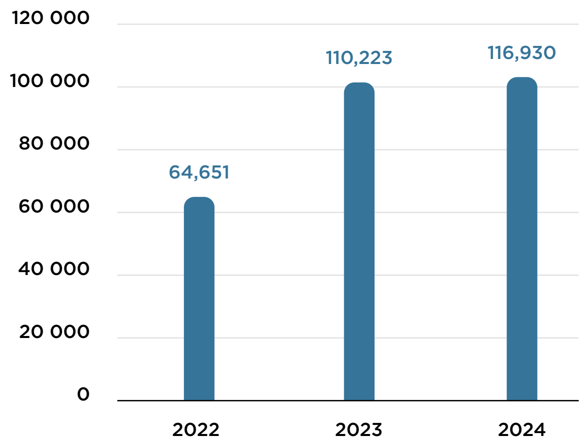
CARGO HANDLED (TONS)



REVENUES
(IN THOUS. CZK)



EARNING AFTER TAX (EAT)
(IN THOUS. CZK)



These are the values of LETIŠTĚ BRNO a. s. and B. A. W. D. F. s. r. o.

TEREA CHEB, S.R.O.

At the end of 2022, Accolade Group decided to strengthen its presence in the Cheb region, reaffirming its commitment to the Karlovy Vary region and its support for local infrastructure development. As part of this effort, it invested in acquiring shares in three regional companies focused on water supply, wastewater management, and the production of heat and electricity. One of these is TEREA Cheb, a key regional provider of thermal energy, electricity, and related services.

With a strong emphasis on efficiency, environmental responsibility, and fair business practices, the company delivers heat and energy wherever it's needed. Every day, thousands of households, businesses, and public institutions in Cheb, Aš, Nebanice, Plesná, and Dolní Žandov rely on TEREA infrastructres and services. Across more than sixty of its own boiler plants—primarily powered by gas boilers and cogeneration units—it produces around 250,000 GJ of heat annually. That is why, even on the very border with Germany, winter is no match for its reliable supply.

The company's comprehensive service offering also includes property management, construction and engineering works, infrastructure maintenance, and transportation. This broad scope makes TEREA a stable and versatile partner for more than 400 contracted customers and 12,000 citizens.

CHEVAK CHEB A.S.

CHEVAK Cheb is one of the three largest providers of drinking water and wastewater services in the Karlovy Vary Region. The company ensures the delivery of high-quality drinking water and the safe collection and treatment of wastewater for more than 80,000 people across 40 towns and municipalities—including Cheb, Mariánské Lázně, Aš, and Nebanice.

CHEVAK Cheb operates an extensive infrastructure network, managing over 700 km of water mains and 450 km of sewer systems. It supplies more than 18,000 contractual customers with more than 4 million cubic meters of drinking water every year and processes close to 5 million cubic meters of wastewater.

By continually investing in state-of-the-art technologies and modernizing treatment facilities, the company is building a future-ready infrastructure. Its approach goes beyond compliance, aiming to preserve the natural wealth of the region for generations to come. As an essential service provider, it contributes daily to the quality of life in the region—safeguarding what matters most, drop by drop.

KMS KRASLICKÁ MĚSTSKÁ SPOLEČNOST, S.R.O.

KMS Kraslická městská společnost is a municipal utility company providing essential services in water supply, wastewater management, and the production and distribution of heat and hot water. It operates a local network of pipelines and gas-fired boiler plants that serve residents, institutions, and businesses across the town of Kraslice.

What sets the company apart is its proximity – not only in terms of geography, but also in values. By operating directly in the region it serves, KMS is able to offer tailored solutions. Whether it's infrastructure maintenance or customer communication, KMS remains close to the people it supports.

KMS Kraslická městská společnost is built on a genuine commitment to improving everyday life in the town that gave it its name. It invests in local solutions, supports urban infrastructure, and treats each customer with a highly individual approach. Each year, it delivers over 40,000 GJ of heat to households, and more than 7,000 residents can rely on a steady supply of drinking water.

SUMMARY OF FINANCIAL RESULTS FOR THE PERIOD 2021–2023

KMS KRASLICKÁ MĚSTSKÁ SPOLEČNOST s.r.o.	**2021**	**2022**	**2023**
Assets	135 200	148 884	157 671
Equity	92 615	96 760	102 764
Revenue	50 112	53 848	63 902
Profit	4 194	4 445	6 004

CHEVAK Cheb, a.s.	**2021**	**2022**	**2023**
Assets	2 085 069	2 121 818	2 178 849
Equity	1 756 948	1 773 298	1 779 259
Revenue	368 491	414 781	470 698
Profit	28 399	31 689	38 834

TEREA Cheb s.r.o.	**2021**	**2022**	**2023**
Assets	365 294	389 132	456 695
Equity	234 866	263 145	288 752
Revenue	239 440	404 609	358 418
Profit	24 946	24 679	25 607

The provided data comes from publicly available financial reports of the companies.

INDUSTRIAL REAL ESTATE FUND

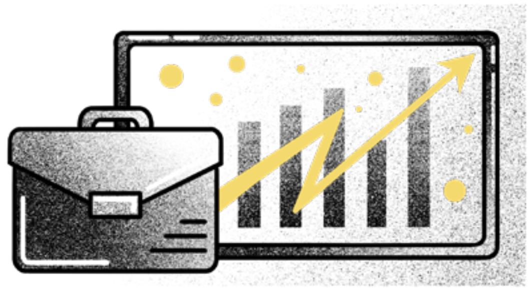
THE PRIMARY GOAL OF OUR INDUSTRIAL FUND IS TO ACHIEVE LONG-TERM GROWTH OF OUR INVESTORS' CAPITAL. ITS SUCCESS STEMS PRIMARILY FROM A PROVEN CONSERVATIVE STRATEGY AND HIGHLY EFFECTIVE PORTFOLIO DIVERSIFICATION. ADDITIONALLY, THESE INVESTMENTS CREATE OPPORTUNITIES FOR FURTHER INDUSTRIAL ADVANCEMENT AND ALLOW PARTICIPATION IN DEVELOPING A SUSTAINABLE EUROPEAN FUTURE.

INVESTMENTS IN THE FUND

Both individuals and legal entities can invest in the Fund. The minimum investment is EUR 75,000 (or a CZK equivalent) with an investment horizon of five years.

RENTAL PAYMENTS

The Fund collects the rents, generating the revenue for the investors. The regular rent payment is always guaranteed by a bank guarantee, the parent company of the lessee, or a security deposit. The rent is indexed on an annual basis.

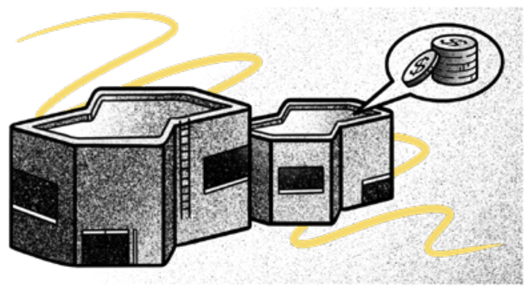


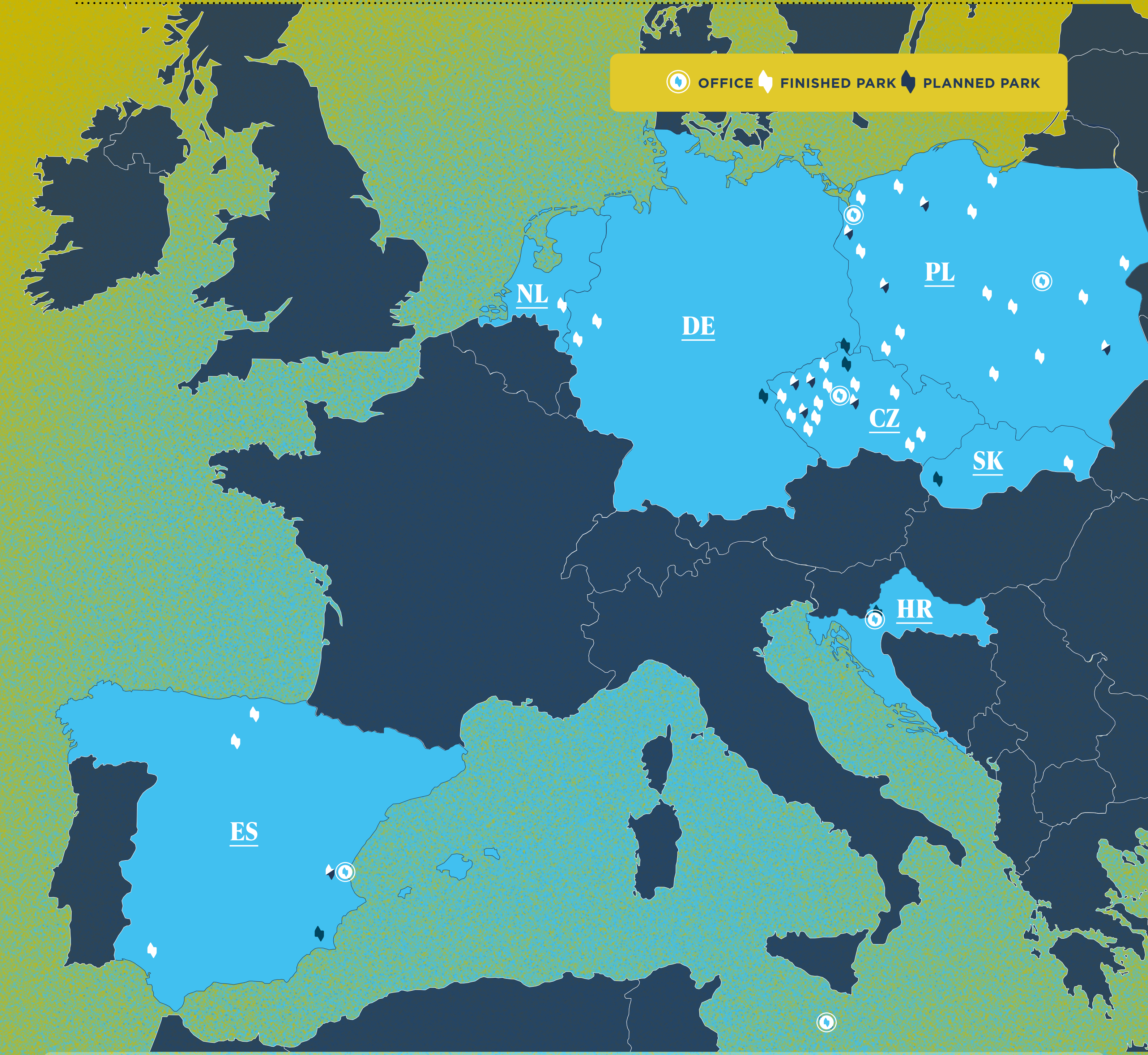
PURCHASE OF FULLY RENTED BUILDINGS

The Fund only invests in fully rented buildings with solvent tenants. The tenant portfolio consists of stable international companies, primarily in the fields of manufacturing, logistics, and e-commerce.

PAYMENT OF INVESTMENT WITH PROFIT

On expiry of the investment horizon, you can decide whether you want your investment paid out including any appreciation, or reinvest your funds or a part thereof.

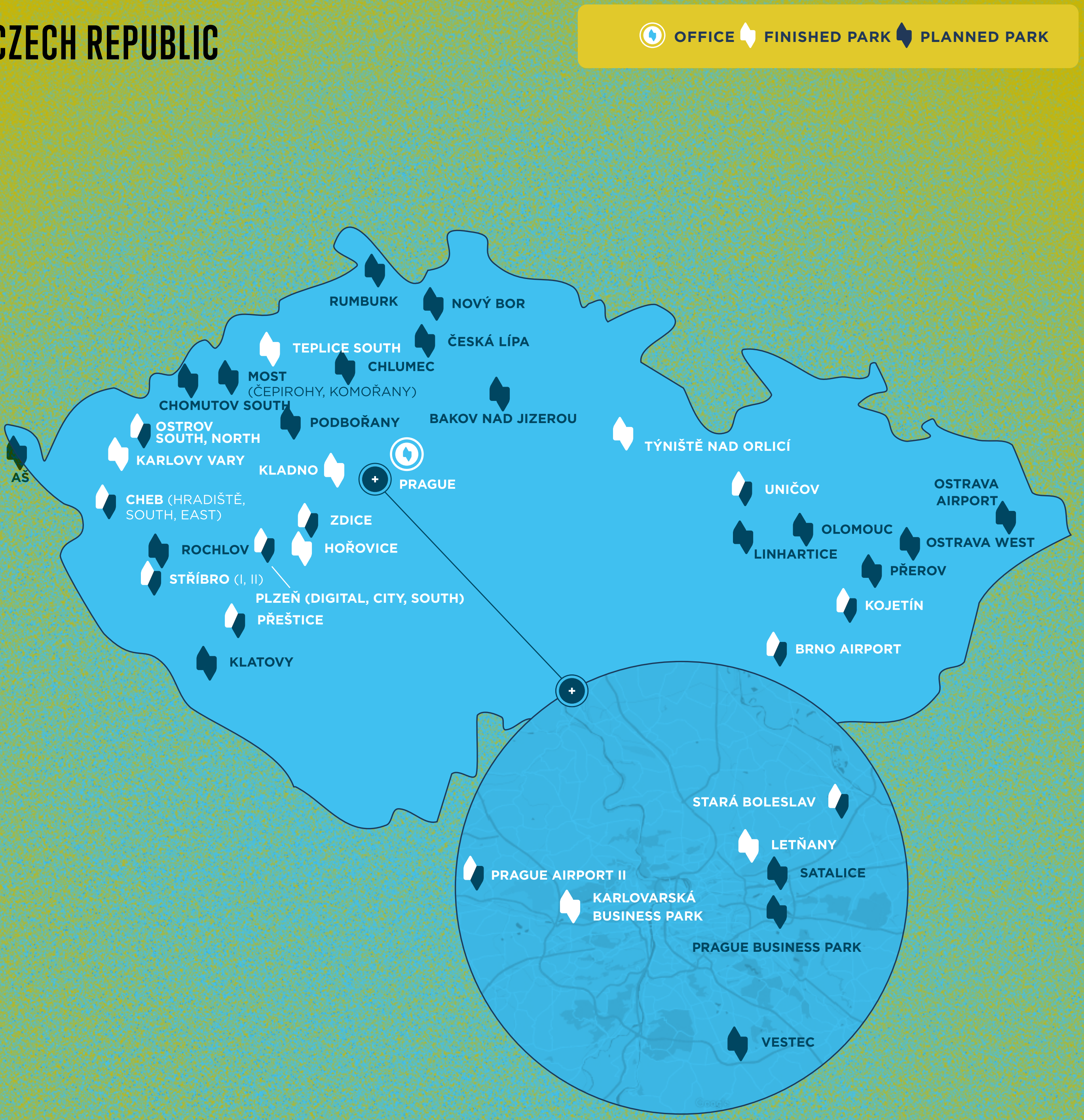




UNIQUENESS OF OUR PARKS

- Strategic position with quality infrastructure
- Tenants of world brands from e-commerce, logistics, and production
- The rebuilding of tradition—revitalization of brownfields
- Modern environmentally friendly buildings
- Supporting the region's economic and social growth
- The highest technical standards of modern construction

CZECH REPUBLIC



HOLDING ALL CONSOLIDATED SPVS

FINISHED	UNDER CONSTRUCTION	PLANNED
544,098	319,583	1,396,930

FUND

FINISHED
776,002

POLAND

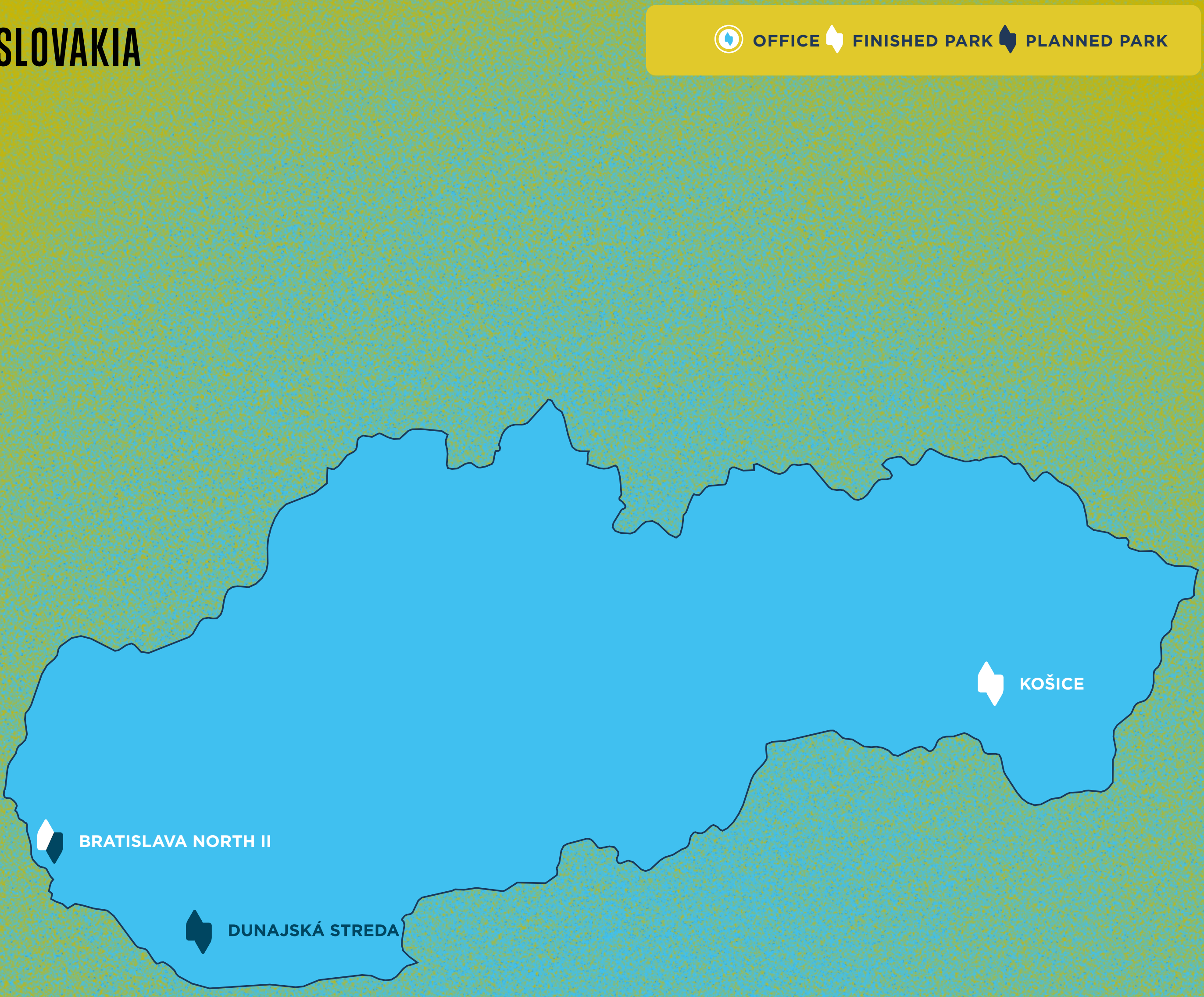
HOLDING ALL CONSOLIDATED SPVS

FINISHED	UNDER CONSTRUCTION	PLANNED
457,843	70,608	716,089

FUND

FINISHED
1,083,402

SLOVAKIA



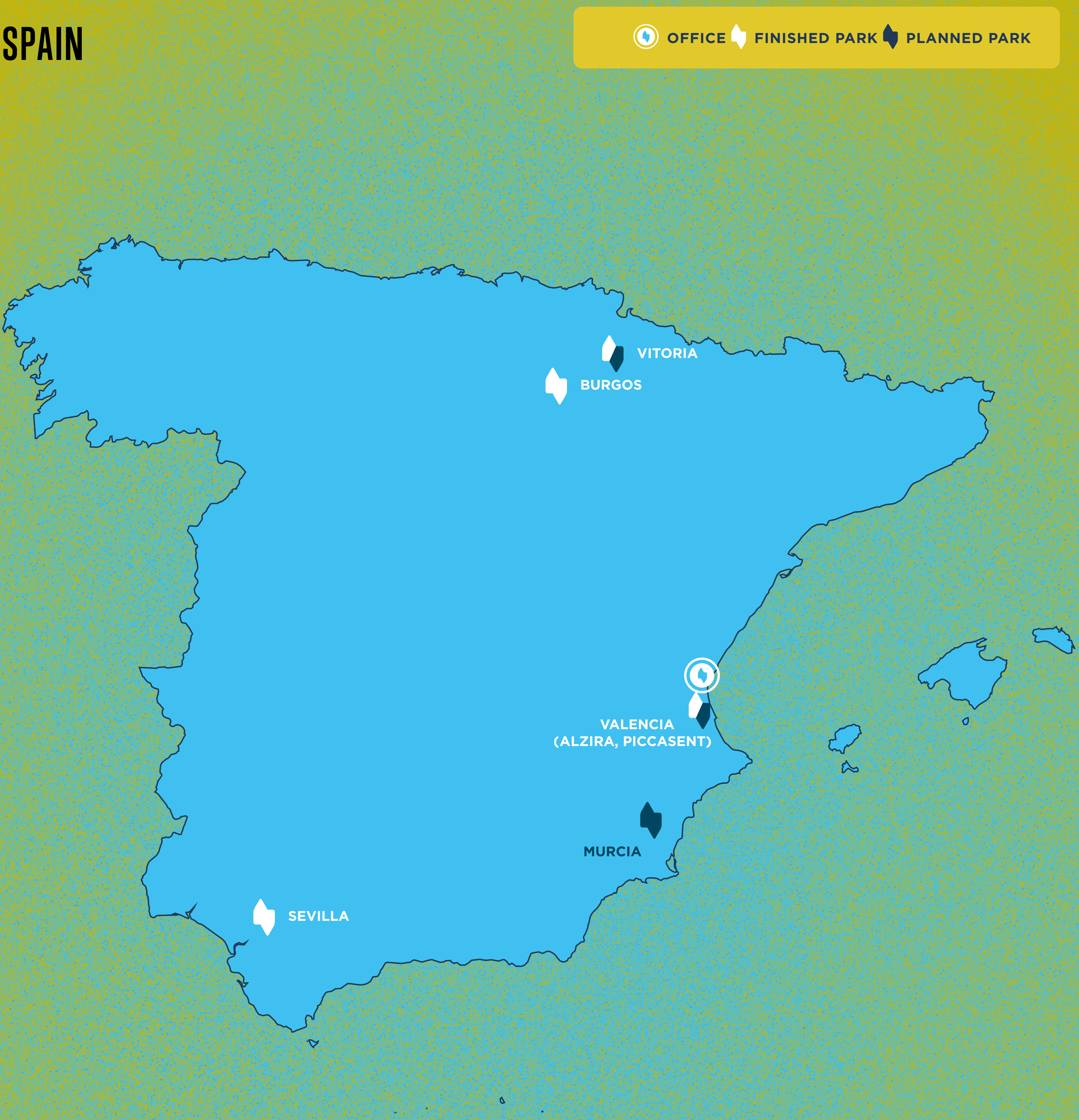
HOLDING ALL CONSOLIDATED SPVS

FINISHED	UNDER CONSTRUCTION	PLANNED
–	23,821	165,738

FUND

FINISHED
36,780

SPAIN



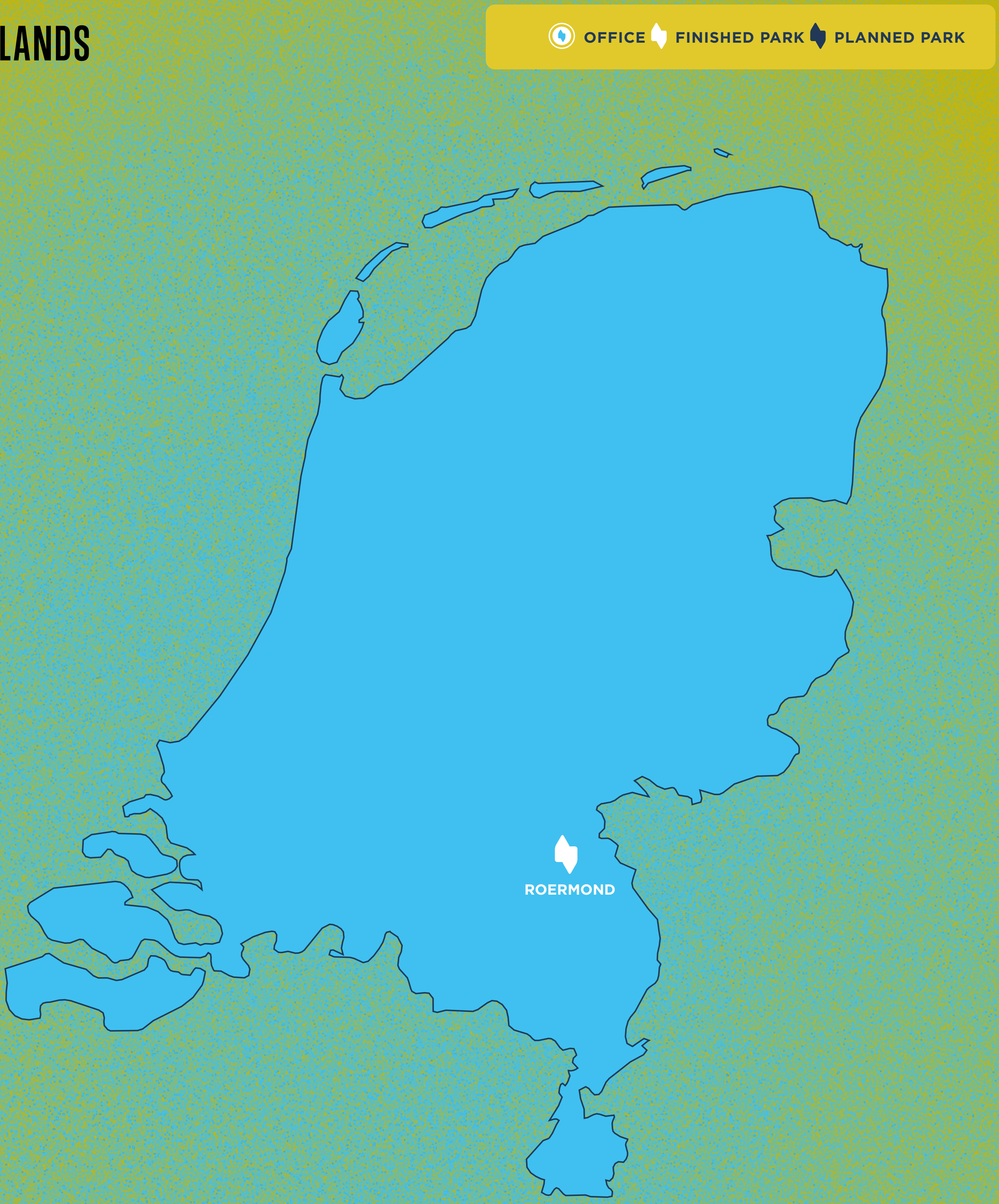
HOLDING ALL CONSOLIDATED SPVS

FINISHED	UNDER CONSTRUCTION	PLANNED
20,279	–	146,177

FUND

FINISHED
68,365

NETHERLANDS



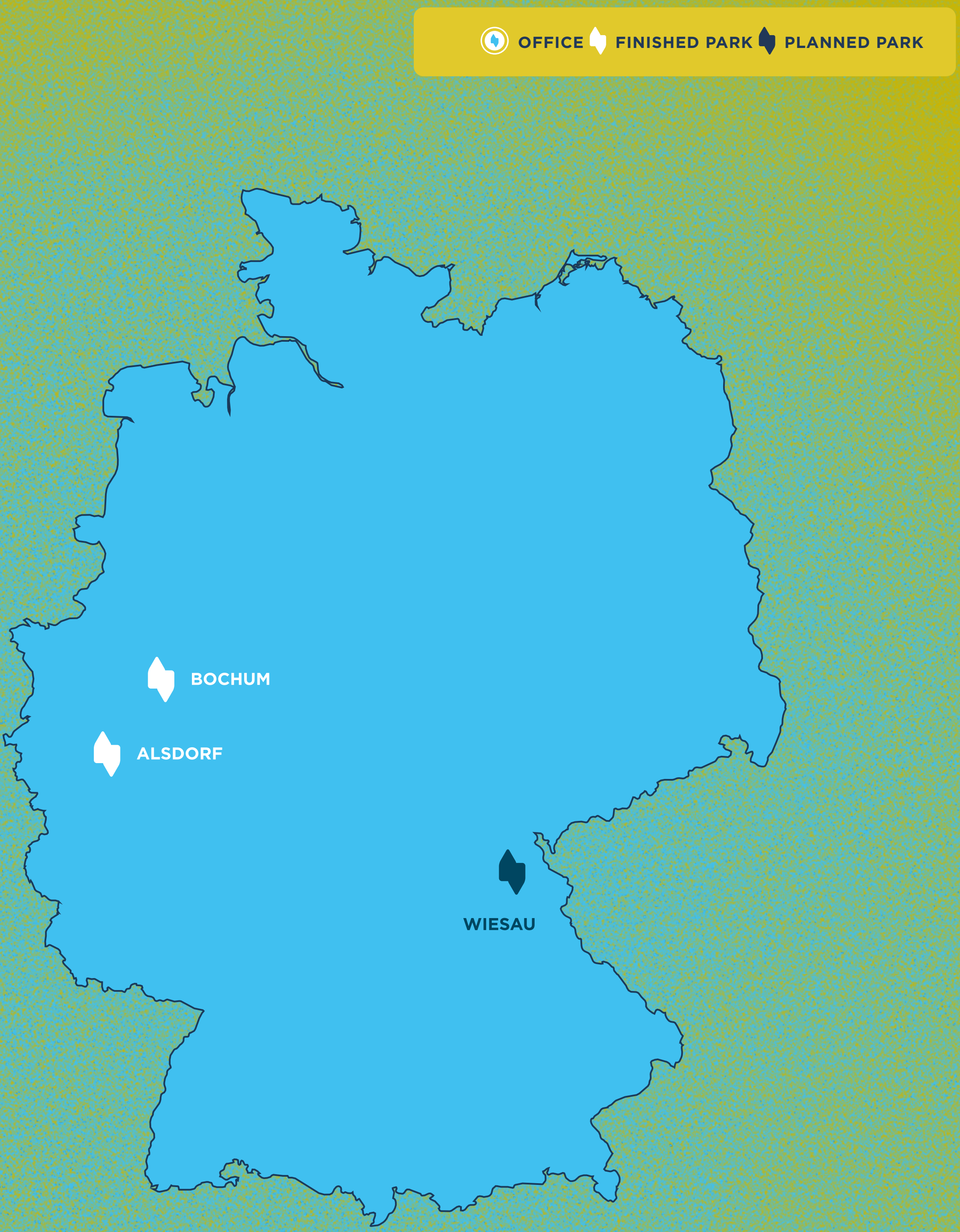
HOLDING ALL CONSOLIDATED SPVS

FINISHED	UNDER CONSTRUCTION	PLANNED
–	–	–

FUND

FINISHED
43,685

GERMANY



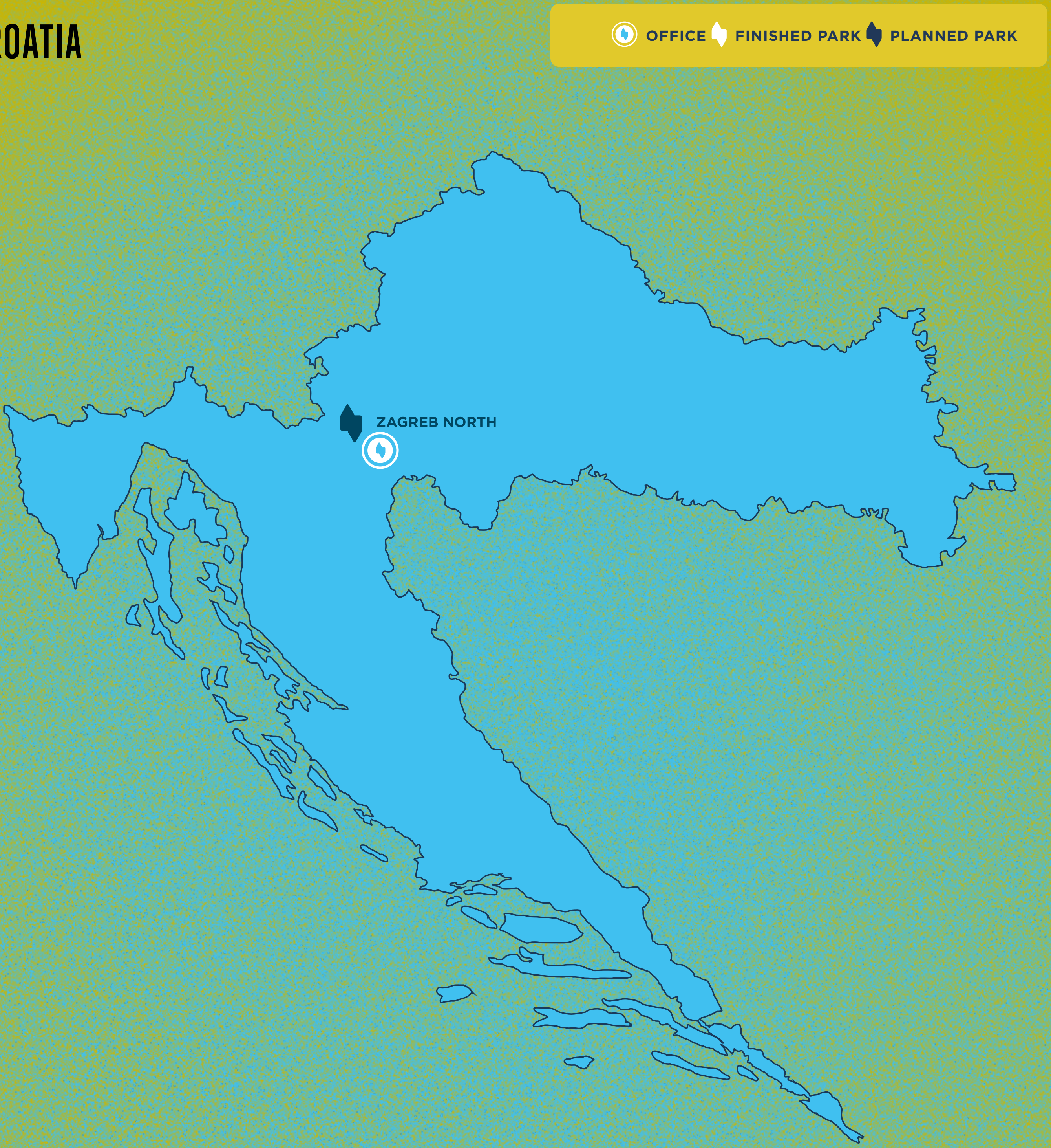
HOLDING ALL CONSOLIDATED SPVS

FINISHED	UNDER CONSTRUCTION	PLANNED
–	–	38,000

FUND

FINISHED
27,433

CROATIA



HOLDING ALL CONSOLIDATED SPVS

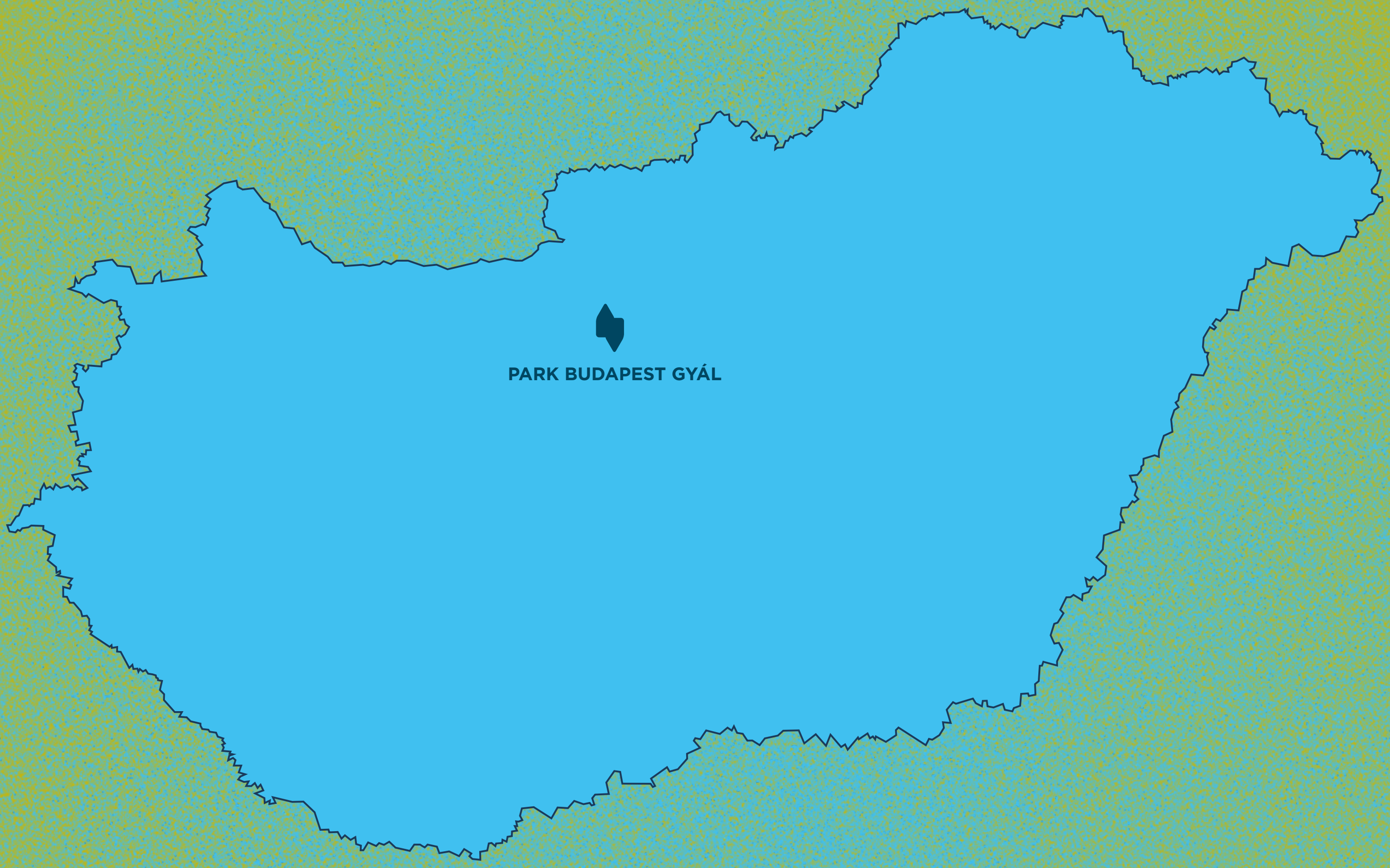
FINISHED	UNDER CONSTRUCTION	PLANNED
–	–	317,837

FUND

FINISHED
–

HUNGARY

OFFICE FINISHED PARK PLANNED PARK



HOLDING ALL CONSOLIDATED SPVS

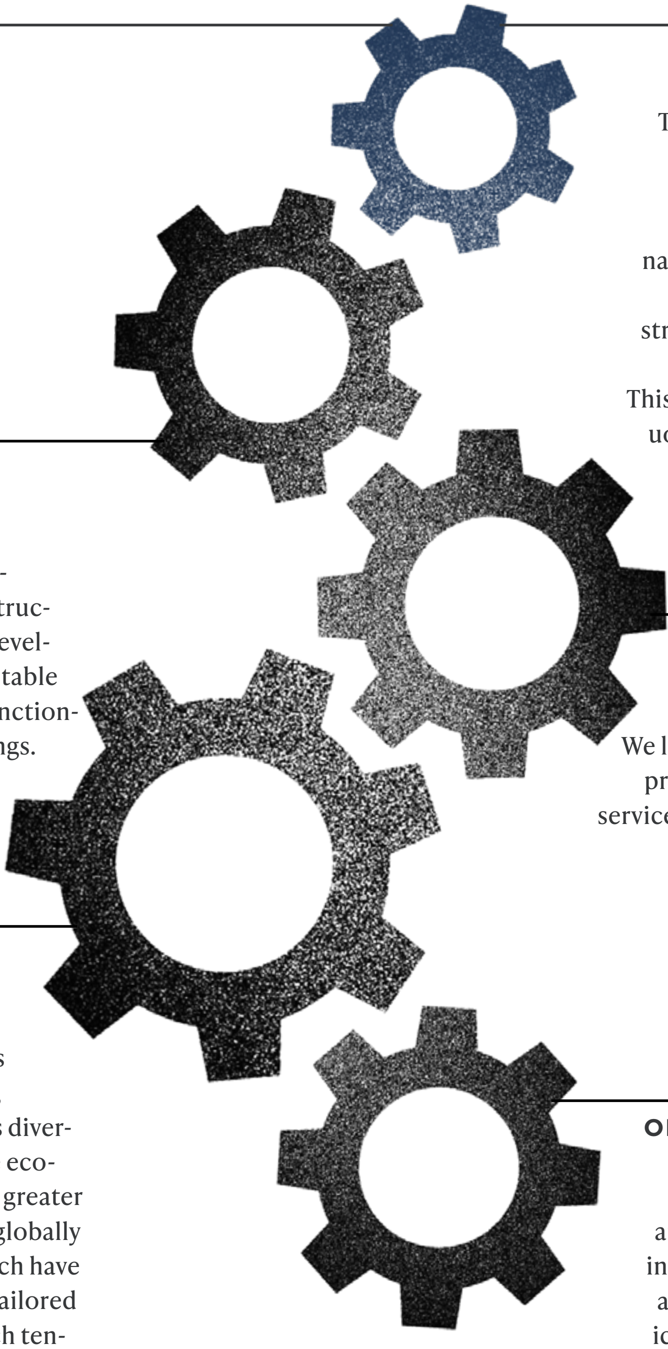
FINISHED	UNDER CONSTRUCTION	PLANNED
–	–	66,703

FUND

FINISHED
–

ACCOLADE'S VALUE CHAIN

Throughout each project, Accolade works with a wide range of partners—from banks, developers, and architects to general contractors, their subcontractors, consulting firms, and local authorities. We take great care with every project and approach each one individually. That's why we value long-term, trusted partnerships, especially with those that have been with us since the very beginning. As a provider of industrial and logistics real estate, our value creation process consists of a series of interlinked activities that together generate value for our stakeholders. These main stages include:



SALE OF PROPERTIES TO ACCOLADE INDUSTRIAL FUND

Selected projects are transferred into the Accolade Industrial Fund portfolio.

PROPERTY DEVELOPMENT

This phase includes land acquisition, project planning, and construction. In collaboration with our development partners, we identify suitable sites and deliver high-quality, functional industrial and logistics buildings.

OUR TENANTS

Our portfolio includes a well-balanced mix of companies from the e-commerce, logistics, and manufacturing sectors. This diversification enables us to navigate economic fluctuations and ensures greater stability. We are proud to serve globally recognized brands, many of which have strong local ties. Our parks are tailored to meet the unique needs of each tenant, demonstrating our commitment to flexibility and an individual approach.

FINANCIAL MANAGEMENT

This stage covers financial operations such as rent collection, tax and cost management, and cash flow optimization. Our team's financial expertise allows us to maximize property value and deliver strong returns to our stakeholders.

This process is designed as a continuous cycle aimed at creating long-term value for our tenants, partners, and the wider community.

LEASING AND PROPERTY MANAGEMENT

We lease properties to end users and provide full property management services. Our clients benefit from flexible solutions including modern warehouse, manufacturing, and office spaces with supporting facilities.

OPERATIONS MANAGEMENT

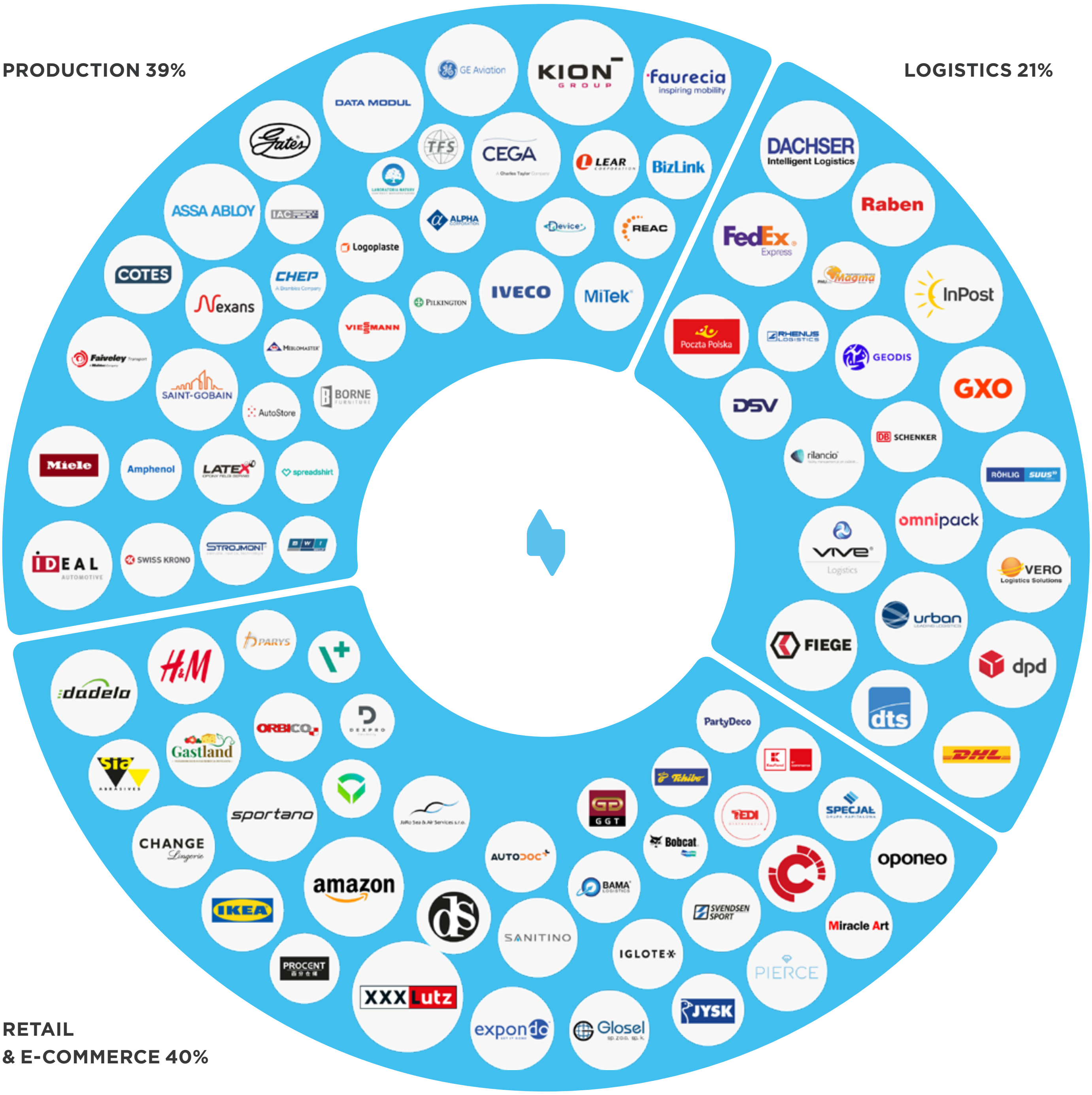
We take care of daily operations and facility maintenance—including energy and sustainability management, security, and other critical services. We work closely with our tenants to ensure smooth and efficient day-to-day functioning.

OUR TENANTS

Our portfolio features a balanced mix of tenants from the e-commerce, logistics, and manufacturing sectors. This strategic diversification helps us navigate economic risks, fostering stability and flexibility. It's our privilege to serve globally recognized companies, some of which have strong local connections. We strive to adapt our parks to fit the specific needs of each tenant, showcasing our dedication to meeting their unique requirements.

PRODUCTION 39%

LOGISTICS 21%



RETAIL & E-COMMERCE 40%

Case Study:

HANON SYSTEMS

Accolade's partnership with Hanon Systems, a global leader in automotive thermal management, has driven the expansion of the Kladno-South industrial zone with a new 21,000-square-meter facility. This addition strengthens the company's manufacturing operations for advanced cooling systems while reinforcing the region's role as a hub for automotive innovation.

Sustainability is at the core of this development. The facility is designed to meet high environmental standards and is aiming for a BREEAM New Construction certification with an "Excellent" rating. Equipped with heat pumps, a photovoltaic power plant, and advanced rainwater management systems, the building optimizes resource efficiency and minimizes its environmental footprint.

The project also includes the refurbishment of Hanon Systems' existing 16,000-square-meter facility, focusing on energy efficiency, a complete renovation of the building's envelope, and modernizing administrative spaces to improve the working environment. The refurbishment is set for completion by the end of the year.

"The automotive sector has been a major driver of demand for industrial facilities, and we are proud to support Hanon Systems in their continued growth," said Jiří Stránský, Head of Development at Accolade. "As the owner and investor in the Kladno complex, we see this project as a testament to the vital role modern industrial properties play in strengthening the European economy."

With its excellent infrastructure, proximity to key motorways, and the upcoming railway connection between Prague, the airport, and Kladno, the region offers exceptional potential for further industrial growth. Hanon Systems' expansion reinforces Accolade's commitment to developing sustainable, high-quality industrial spaces that support global industry leaders.

Case Study:

GREEN BONDS

In 2024, Accolade became the first corporate issuer of green bonds denominated in Czech crowns—a meaningful step in its long-term commitment to sustainability. The five-year bonds, offering an annual interest rate of 8%, were met with strong interest from both institutional and retail investors. The original CZK 1.5 billion issue (approx. EUR 60 million) was fully subscribed within a week, prompting an increase to CZK 3 billion (approx. EUR 120 million).

The proceeds, managed through Accolade Finco Czech 1, s.r.o., are earmarked for financing or refinancing projects that meet the highest standards of environmental sustainability, particularly under the "Green Buildings" category. These include industrial developments with BREEAM certifications, such as the Cheb South facility—one of the world's greenest industrial buildings.

The issuance was guided by Accolade's Green Finance Framework, aligned with the EU Taxonomy and independently assessed by Sustainalytics. This framework outlines the principles Accolade follows to ensure transparency and responsibility in green financing.

"We greatly value the trust shown by our investors and banking partners. Their confidence supports our belief that sustainable development in industrial real estate is both necessary and achievable," said Milan Kratina, CEO of Accolade.

This successful issuance marks an important step for Accolade in building a more sustainable and responsible financial future.

Case Study:

DRIVING GROWTH IN THE KARLOVY VARY REGION

Accolade was the first to recognize the strategic potential of the Karlovy Vary Region, thanks to its excellent location near the German border and good road infrastructure. Since entering the region in 2013, the company has become its largest private investor, setting a strong foundation for its economic growth and long-term sustainability.

To date, Accolade has invested over EUR 730 million (approx. CZK 18 billion) in six industrial parks, delivering more than 660,000 m^2 of modern industrial space. Its early developments in Cheb, where it now operates three parks totaling nearly 350,000 m^2, helped establish the region as a key logistics and manufacturing hub.

Building on this foundation, Accolade expanded into Ostrov and most recently into Karlovy Vary city itself, marking a new phase of regional investment.

Beyond infrastructure, Accolade is an active supporter of the local community, contributing over EUR 8 million to land purchases in Cheb, and it actively supports public life and local initiatives. Among its long-term partners are the youth football club FC Slavia Karlovy Vary, the Karlovy Vary Regional Chamber of Commerce, the Cheb Art School, Ostrov Football Club, and the Joker Protected Workshop. Through its early vision and long-term commitment, Accolade continues to drive sustainable economic growth in the Karlovy Vary Region.

Sustainability Report

THIS IS THE SECOND SUSTAINABILITY REPORT FOR THE CONSOLIDATED GROUP OF ACCOLADE HOLDING. THE REPORT HAS BEEN PREPARED WITH REFERENCE TO THE INTERNATIONAL STANDARDS FOR NON-FINANCIAL REPORTING—GLOBAL REPORTING INITIATIVE (GRI) STANDARDS 2021 AND ESRS.

The report relates to entities (excluding Brno Airport and Accolade Utilities SE) as shown in the organigram in the Presentation of Accolade section. Accolade also presents the impacts of Accolade in the context of The United Nations' Sustainable Development Goals (UN SDGs). The report discloses information regarding sustainability matters that are linked to Accolade's business operations. The aim of the report is to inform our stakeholders of our impact on the environment, society, and the economy, as well as to show Accolade's performance in sustainability areas in the years to come.

The report includes the management approach and Accolade's performance during the period 01. 01. 2024–31. 12. 2024.

Accolade has not externally assured the content of this report. However, it is considering the possibility of obtaining external assurance for Accolade's future reports. The report was published in 29. 04. 2024 in electronic form and is available on Accolade's website.

STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT IS AN IMPORTANT PART OF OUR BUSINESS STRATEGY, AND ACCOLADE IS COMMITTED TO MAINTAINING OPEN AND TRANSPARENT RELATIONSHIPS WITH ITS STAKEHOLDERS. ACCOLADE HAS IDENTIFIED INTEREST GROUPS AFFECTED BY ITS ACTIVITIES, A LIST OF WHICH IS GIVEN BELOW.

EMPLOYEE

We care about our employees and are committed to creating a supportive and inclusive work environment. We regularly engage with our employees through surveys, focus groups, and other initiatives to understand their perspectives and find ways to improve.

SUPPLIERS (GENERAL CONTRACTORS, DEVELOPERS, ARCHITECTS)

We work closely with our partners during project development to ensure that they adhere to rigorous standards in terms of quality, sustainability, and ethical conduct.

TENANTS

We work closely with our tenants to understand their needs and ensure that our properties meet their requirements. Our commitment lies in delivering high-quality services and maintaining positive relationships with our tenants.

LOCAL COMMUNITIES

We are committed to creating a positive impact in the communities where we operate. Our involvement includes various initiatives such as charitable donations, volunteering, and community engagement programs.

LENDERS

We partner closely with lenders, as they also have ambitious Environmental, Social, and Governance (ESG) goals and the related requirements. We acknowledge the importance of this partnership, especially in the context of the ongoing transition toward green financing.

Overall, stakeholder engagement is an important part of our business strategy, and we are dedicated to maintaining open and transparent relationships with our stakeholders to ensure that we are creating value for all of them in a sustainable and responsible manner.

MATERIALITY ANALYSIS AND ACCOLADE ESG STRATEGY

SUSTAINABILITY HAS BECOME PART OF HOW WE APPROACH ALL AREAS OF OUR BUSINESS. WHILE PREPARING THE ACCOLADE ESG STRATEGY UPDATE AT THE TURN OF 2022, WE CONDUCTED OUR FIRST MATERIAL ANALYSIS ACCORDING TO THE GRI 2021 STANDARDS, TO IDENTIFY THE CURRENT POSITIVE AND NEGATIVE, AS WELL AS THE POTENTIAL IMPACTS OF OUR OPERATIONS IN ALL ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) AREAS. DOING SO, WE CONSIDERED ALL OUR STAKEHOLDERS' POINTS OF VIEW TO MAKE OUR OVERVIEW AS COMPREHENSIVE AS POSSIBLE. IN DEFINING MATERIAL TOPICS, WE ADOPTED THE FOLLOWING STEPS:

1 UNDERSTAND THE ORGANIZATION'S CONTEXT

Accolade's key values, visions, policies, strategies, and operational management systems.

Accolade's core competencies and the ways in which they can contribute to sustainable development.

Sector standards to understand the sector's context (peer benchmarking, relevant sectoral sustainability criteria, e.g. GRI laws and regulations relevant to the company and its stakeholders.

2 ASSESS THE SIGNIFICANCE OF THE IMPACT

The Materiality Analysis Workshop convened a diverse group of executives representing various stakeholder groups. During the workshop, impacts were meticulously assessed within the context of environmental, social, and governance (ESG) considerations. Professional sustainability advisors facilitated the process. The criteria for the impact assessment were as follows:

POSITIVE ACTUAL IMPACTS:
These were evaluated based on their scope, scale and for positive potential impacts, the likelihood of occurrence.

NEGATIVE ACTUAL IMPACTS:
These were assessed based on their scope, scale, irremediable character and, for negative potential impacts, the likelihood of occurrence.

3 IDENTIFY ACTUAL AND POTENTIAL IMPACTS

Consideration of both the positive and negative actual and potential ESG impacts identified in Step I relevant to Accolade Group.

4 PRIORITIZE THE MOST SIGNIFICANT IMPACTS FOR REPORTING

Defining the significance threshold of individual issues by upper management.

Dividing issues into material issues: those with significant material impacts (positive, negative), key issues in terms of reporting, and those which are non-material with lower material positive and negative impacts.

Validation by Accolade upper management.

MATERIALITY ANALYSIS

IDENTIFIED IMPACT AREAS	TYPE OF IMPACT	ALIGNMENT OF MATERIAL ISSUES WITH AREAS OF ACCOLADE ESG STRATEGY	UN SDGS
Local communities	Material Positive	Supporting local communities Investing responsibly	8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES
Direct and indirect economic value	Material Positive	Increasing the economic value for society Investing responsibly	8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES
Employment, human rights & inclusion, equality	Material Positive	Care and respect for our employees Conduct our business ethically and honestly	8 DECENT WORK AND ECONOMIC GROWTH 5 GENDER EQUALITY
Climate	Material Positive and Negative	Mitigating and adapting to climate change	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Biodiversity and ecosystems	Material Positive and Negative	Respecting biodiversity and ecosystems	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND
Water resources	Material Positive and Negative	Responsible handling of water resources	6 CLEAN WATER AND SANITATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Health & safety, wellbeing	Material Positive	Care and respect for our employees	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION
Ethical business conduct	Material Positive	Conduct our business ethically and honestly Investing responsibly	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Materials and waste	Material Positive and Negative	Using high quality materials for our modern industrial parks	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

ACCOLADE ESG STRATEGY

RUNNING OUR BUSINESS WITH RESPECT FOR THE ENVIRONMENT AND THE WORLD AROUND US.

The material issues identified constitute impacts that Accolade's business activities have on human and natural capital, for which Accolade has committed to implementing measures to improve their sustainability performance.

By focusing on material issues for each pillar, we strive to protect the environment and create positive impacts in society (including for our employees), while always being transparent and fair towards our stakeholders.

Accolade's ESG strategy is centered around three pillars:

- ENVIRONMENT
- PEOPLE AND PROSPERITY
- GOVERNANCE

E

ENVIRONMENT

Mitigating and adapting to climate change

Using high-quality materials for our modern industrial parks

Respecting biodiversity and ecosystems

Responsible handling of water resources

S

PEOPLE & PROSPERITY

Care and respect for our employees

Increasing economic value for society

Supporting local communities

G

GOVERNANCE

Conducting our business ethically and honestly

Investing responsibly

CONDUCTING OUR BUSINESS ETHICALLY AND HONESTLY

Since its inception, Accolade has been committed to responsible business practices and regulatory compliance. We view compliance not just as a legal necessity, but as a way building trust with our stakeholders. Our compliance framework aligns with all relevant laws and industry standards, and our team stays abreast of any legislative changes.

We foster a culture of integrity and ethical conduct at all levels of our organization. Our code of conduct guides our actions, and regular training on ethics and anti-corruption practices ensures consistent ethical standards. We have a strong whistleblowing policy and protective measures to encourage reporting of any suspected misconduct. We maintain transparency with stakeholders through regular audits and compliance reports, demonstrating our commitment to high ethical standards.

MEMBERS OF THE BOARD

MILAN KRATINA & ZDENĚK ŠOUSTAL

CEO

MILAN KRATINA

DEVELOPMENT DEPARTMENT

JIŘÍ STRÁNSKÝ
Head of Development

FINANCE DEPARTMENT

TOMÁŠ PROCHÁZKA
Chief Financial Officer

COMMERCIAL & OPERATING DEPARTMENT

LUKÁŠ RÉPAL
Chief Operating Officer

BUSINESS DEVELOPMENT DEPARTMENT

TOMÁŠ HANÁČEK
Head of Business Department

LEGAL DEPARTMENT

JITKA BORTLÍČKOVÁ
Group Legal Director

HR DEPARTMENT

MICHAELA VLASÁKOVÁ
Group HR Director

COMMERCIAL DEPARTMENT

JOANNA SINKIEWICZ
Group Commercial Director

MARKETING & COMMUNICATION DEPARTMENT

EDUARD PIŇOS
Chief Marketing Offcier

BOARD OF DIRECTORS

Accolade Group's Board of Directors, the supreme governing entity, is responsible for overseeing the successful execution of the company's comprehensive business and sustainability strategies. The board comprises two members, Milan Kratina and Zdeněk Šoustal, who are not only the founders of Accolade, but also actively participate in the group's daily operations.

Board members are elected and can be dismissed at the company's general meetings. They serve a term of five years, with the possibility of re-election. The selection of board members is carried out with the best interests of Accolade Group and all its stakeholders in mind, taking into account their independence, extensive industry experience, and overall knowledge. To ensure they stay informed about Environmental, Social, and Governance (ESG) issues, board members regularly receive updates through managerial meetings conducted across the entire group.

ESG COMMITTEE & GREEN FINANCE COMMITTEE

Accolade's ESG governance framework was initiated in early 2020 with the formation of the ESG Committee by the Board of Directors to oversee adherence to ESG principles. At the turn of 2022/2023, the Committee's structure was enhanced to more effectively supervise and drive progress toward the company's sustainability goals.

The ESG Committee is chaired by the CEO, with the COO as Vice Chairman. Additional members include the CFO, Head of Development, Head of Business Development, and leads for each ESG pillar—Environmental, Social, and Governance. The ESG Manager ensures coordination across all ESG activities.

The ESG Working Group, which supports the Committee, includes representatives from Development, Asset Management, Marketing, Finance, Business Development, and each country within Accolade, along with ESG Committee members. It addresses all key ESG topics across the company's operations.

In 2024, Accolade further formalized its internal ESG governance by introducing two dedicated regular meetings: the ESG Committee and the Green Finance Committee. These meetings ensure consistent evaluation, coordination, and alignment of sustainability-related topics across the business.

Both committees operate under formal procedures, including predefined agendas, structured openings by chairpersons, and regular review of prior meeting minutes. Key topics are communicated in advance to enable informed, high-quality discussions. This structured approach has reinforced ESG as a central element of Accolade's strategic decision-making.

ESG COMMITTEE ACTIVITES

The ESG Committee oversees the identification, assessment, and prioritization of sustainability issues. It proposes policies and procedures for material ESG topics, manages sustainability data collection and disclosures, and ensures alignment of the ESG strategy with Accolade's overall business objectives. The Committee monitors ESG trends that may impact long-term value creation and reports on sustainability performance and risk management related to business, operations, and reputation.

In 2024, the Committee met seven times. Its agenda focused on regulatory preparedness—particularly the EU Taxonomy and Corporate Sustainability Reporting Directive (CSRD)—and initiatives to enhance energy performance and climate resilience. Key topics included energy performance certification, implementation of smart metering systems, emissions reduction strategies, and alignment with disclosure obligations. The Committee also supported the development of internal sustainability data management tools and encouraged cross-functional collaboration on ESG matters.

GREEN FINANCE COMMITTEE ACTIVITES

In 2024, the Green Finance Committee met five times to assess project eligibility under Accolade's Green Finance Framework. It evaluated projects across multiple countries, focusing on alignment with the EU Taxonomy, certification status, and energy performance benchmarks.

The committee adopted eligibility decisions, implemented exclusion measures where necessary, and initiated plans to enhance sustainability alignment across the portfolio. Its work ensures the integrity and transparency of green financing activities within the Accolade platform.

ESG WORKING GROUP

REPRESENTATIVES OF THE DEPARTMENT

ESG COMMITTEE

CEO

COO

CFO

Head of Development

Head of Business Development

ESG Manager

ENVIRONMENTAL: Energy Director

SOCIAL: Operations & Administration

GOVERNANCE: Legal

CRIMINAL COMPLIANCE

We recognize our commitments to our business partners and employees, engaging with them based on principles of openness and fairness. Our employees maintain high professional standards and follow established guidelines ensuring their behavior aligns with principles of fairness and transparency. We have implemented a comprehensive whistleblowing system throughout our organization, including anonymous helplines and complaint channels. This highlights our commitment to ethical conduct and responsibility.

Accolade has implemented a unique Criminal Compliance Program, which includes a Criminal Compliance Code and an Ethics Code. These documents outline the measures taken to prevent criminal activities and unethical behavior. These guidelines apply to everyone associated with Accolade.

CRIMINAL COMPLIANCE PROGRAM (CCP)

The Criminal Compliance Program (CCP) is a comprehensive system created by Accolade that includes various measures and procedures designed primarily to prevent criminal and unethical conduct. The CCP also aims to minimize any negative consequences that might result from such unlawful activities. This program is implemented through the Criminal Compliance Code and the Ethics Code.

CRIMINAL COMPLIANCE CODE (CCC)

The Criminal Compliance Code (CCC) defines Accolade's responsibilities regarding criminal law. It creates a strong internal corporate system for preventing, detecting, and addressing potential criminal or unethical behavior, which is central to Accolade's corporate values.

The CCC is an internal policy that is completely binding for the entire Accolade Group. It applies to all statutory body members, group leaders, individuals authorized to represent or act for the group, those responsible for management or operations at Accolade, and all employees or persons in similar positions.

The Code describes the CCP's values, principles, objectives, and regulations. It specifically addresses three main components, though these are not all-inclusive:

- PREVENTION
- DETECTION
- REACTION

CODE OF ETHICS

Accolade's Code of Ethics seeks to define core ethical principles that apply to all individuals connected with Accolade. These ethical standards provide essential guidance for everyone's conduct within Accolade. The Code of Ethics represents the social values that Accolade upholds. It constitutes a set of internal regulations that must be followed by everyone at Accolade. All employees are required to review and understand the Code of Ethics as part of their orientation process.

The basic principles of Accolade Code of Ethics are:

- THE PRINCIPLE OF LEGALITY
- THE PRINCIPLE OF ANTI-CORRUPTION BEHAVIOUR
- THE PRINCIPLE OF RESPECT FOR HUMAN RIGHTS
- THE PRINCIPLE OF GOOD RELATIONS WITHIN ACCOLADE
- THE PRINCIPLE OF COMPLIANCE WITH THE RULES OF FAIR BUSINESS DEALINGS
- THE PRINCIPLE OF COMPLIANCE WITH ANTI-MONEY LAUNDERING RULES
- THE PRINCIPLE OF COMPLIANCE WITH THE RULES OF ECONOMIC COMPETITION
- ENVIRONMENTAL PROTECTION
- EMPHASIS ON COMPLIANCE WITH SAFETY RULES

UN GLOBAL COMPACT

On March 13, 2023, Accolade s.r.o. joined the UN Global Compact, embracing the world's most significant corporate sustainability initiative. We have aligned our objectives with the UN's Sustainable Development Goals, committing to sustainable growth, responsible consumption, and tackling climate change for the benefit of all.

CZECH GREEN BUILDING COUNCIL

In 2022, Accolade became a member of the Czech Green Building Council (CZGBC), which brings together companies from various economic sectors with a common interest in high-quality buildings that support new construction and renovation based on sustainability principles. Accolade is an active member of this initiative and our representatives are also members of the CZGBC working groups focused on brownfield sites, water management, sustainable materials and recycling, taxonomy, and ESG.

INVESTING RESPONSIBLY

INCORPORATING THE EU TAXONOMY

We recognize the necessity to integrate the EU Taxonomy, a structure for identifying sustainable activities, into our business approaches. This dedication involves working with professionals to implement changes to our operations, assuring conformity when developing sustainability criteria. Our commitment to regulatory adherence and ethical business conduct is firmly established in our compliance with laws and rules, our initiatives to align with the EU Taxonomy, and our goal of establishing a benchmark for sustainable business practices.

In 2024, we initiated the process of aligning our building portfolio with the EU Taxonomy requirements. This effort marks the beginning of a long-term adjustment plan aimed at ensuring our assets meet the relevant eligibility and alignment criteria. As part of this process, we began evaluating and adjusting a total of 73 buildings across our portfolio, covering 2,076,188.35 sqm of gross leasable area.

GREEN FINANCING FRAMEWORK

Accolade's Green Finance Framework was established to support Accolade's ESG strategy. We worked alongside financial experts, banks, and advisors to craft our Green Finance Framework. This comprehensive guide outlines the sustainable practices and standards which we are committed to maintaining in our project development. The Framework underscores our adherence to the EU taxonomy and our commitment to achieving environmental certification for our buildings, ensuring compliance with recognized sustainability standards. We aim to be a trustworthy partner not only for financial institutions but also for our clients who use the buildings we finance. This document will allow us, as a group, to focus more on the profitability of green financing.

IMPACT REPORTING

To measure and inform on the environmental performance of each eligible project financed under the Framework, the following impact indicators will be used (if applicable):

- ANNUAL GHG EMISSIONS REDUCED/AVOIDED IN TONNES OF CO_2 EQUIVALENT
- PERCENTAGE OF ENERGY USE REDUCED/AVOIDED
- LEVEL OF CERTIFICATION BY BUILDING
- INFORMATION ON THE TYPE OF PHYSICAL CLIMATE RISK MITIGATED
- ANNUAL RENEWABLE ENERGY GENERATION IN **MW**H/**GW**H (ELECTRICITY) AND GJ/TJ (OTHER ENERGY)
- CAPACITY OF RENEWABLE ENERGY PLANT(S) CONSTRUCTED OR REHABILITATED IN **MW**

ELIGIBLE EU TAXONOMY ECONOMIC ACTIVITY	GREEN ELIGIBILITY CRITERIA	CONTRIBUTION TO EU TAXONOMY ENVIRONMENTAL OBJECTIVE	CONTRIBUTION TO UN SDGS
7.1 Construction of new buildings	Construction of new buildings	Climate change mitigation	
7.2 Renovation of existing buildings	Renovations of existing buildings	Climate change adaptation	
7.3 Installation, maintenance, and repair of energy efficiency equipment	Acquisition and ownership of existing buildings		
7.5 Installation, maintenance, and repair of instruments and devices for measuring and controlling energy performance of buildings	Energy efficiency measures and renewable energy		
7.7 Acquisition and ownership of buildings	Installation of renewable energy and equipment		
7.6 Installation, maintenance, and repair of renewable energy technologies	Climate adaptation measures to currently owned buildings		

MITIGATING AND ADAPTING TO CLIMATE CHANGE

RECOGNIZING OUR ENVIRONMENTAL RESPONSIBILITY, WE ACKNOWLEDGE OUR INFLUENCE ON CLIMATE DYNAMICS, AND HOW CLIMATE CHANGE MIGHT AFFECT OUR BUSINESS. AS PART OF OUR ONGOING COMMITMENT TO REDUCING OUR NEGATIVE IMPACT, WE PURSUE SOLUTIONS THAT WILL ALLOW US TO MITIGATE AND ADAPT TO CLIMATE CHANGE.

ENERGY & GREENHOUSE GAS EMISSIONS

IMPACT

Buildings in the EU account for 40% of final energy consumption and 36% of energy-related GHG emissions. The reliance on fossil fuels poses significant environmental risks. Accolade recognizes the potential of energy efficiency measures and fuel switching to reduce these impacts. By prioritizing fossil-free energy sources, we align with EU climate objectives, enhance long-term competitiveness, and support decarbonization across the sectors we serve.

We also understand that environmental impact is a two-way issue: not only do our operations affect the environment, but our exposure to high-emission activities may pose financial and strategic risks. Advancing decarbonization can improve access to sustainable finance, reduce transition risks, and support higher asset valuations.

ACTIONS

In 2022, Accolade initiated technical studies across its portfolio to assess roof load capacity for photovoltaic (PV) installation, aiming to accurately determine PV deployment potential. Roof load capacity requirements were integrated into technical specifications, and all new developments were designed as PV-ready. While recognizing that green energy procurement alone is not a complete solution, we consider it a key enabler in driving energy market transformation.

From 2023, Life Cycle Assessments (LCAs) became mandatory for all newly constructed facilities, enabling precise identification of emissions from construction processes and materials. In 2024, we conducted 14 LCAs in line with EU Taxonomy requirements, enhancing carbon footprint transparency and enabling a clearer understanding of the embodied vs. operational CO_2 ratio—supporting more focused decarbonization efforts.

In parallel, we initiated the assessment and alignment of 73 buildings in our portfolio with the EU Taxonomy criteria, where the primary requirement is improved energy efficiency through reduced primary energy demand.

In 2024, we completed a comprehensive study aimed at developing Accolade's transition plan. The outcome is a defined set of building-level technical solutions—including façade improvements, HVAC upgrades, and renewable energy integration—along with an evaluation of their impact on energy savings, CAPEX requirements, and decarbonization potential. This will form the basis of our Net Zero Strategy and long-term alignment with the Paris Agreement and the EU's 2050 climate neutrality goal.

TARGETS

Our long-term goal is to reduce energy intensity and both the operational and embodied carbon footprint of the industrial properties that Accolade develops and operates.

	2023[1]	2024[2]
INSTALLED CAPACITY (PV) IN KWP	5 368.00	9 426.00
PV UNDER DEVELOPMENT IN KWP	13 940.00	15 300.00
ENERGY INTENSITY USE (GAS) KWH PER M^2	52.40	40.34
ENERGY INTENSITY USE (ELECTRICITY) KWH PER M^2	48.56	50.60
OPERATIONAL CARBON FOOTPRINT IN $KGCO_2E$ PER M^2	39.42	37.20

1 Disclaimer: Based only on the data for buildings fully operational through the whole year 2023 (more than 1 million GLA)

2 Disclaimer: Based only on the data for buildings fully operational through the whole year 2024 (more than 2 million GLA).

SCOPE	ACTIVITY TYPE	GHG EMISSIONS 2023 [tCO_2e]	GHG EMISSIONS 2024 [tCO_2e]
1	STATIONARY COMBUSTION	7.01	2.29
	MOBILE COMBUSTION	120.66	107.07
	TOTAL	**127.67**	110.07
2	PURCHASED ELECTRICITY (LOCATION BASED METHOD)	35.36	93.24
	PURCHASED HEAT	28.58	35.11
	TOTAL	**63.95**	**128.35**
3	BUSINESS TRAVEL	62.09	89.69
	EMPLOYEE COMMUTING	139.97	47.17
	DOWNSTREAM LEASED ASSETS	95 043.65	116 905.34
	TOTAL	**95 245.70**	**117 042.20**

Emissions resulting from employees' commuting to work were calculated based on a survey conducted with the employees.

It should be noted that the presented calculations also include tenant consumptions, not related to the functioning of the building (e.g. energy used in the technological process or for electric cars). This should be outside the scope of disclosure, because Accolade has no influence on these consumptions. They can significantly fluctuate and distort the presented results. In the following years, we will strive to exclude this from the presented calculations, so that the presented data concerns only and exclusively the Accolade portfolio.

CLIMATE CHANGE

IMPACT

At Accolade, we recognize that climate change can impact our business in various ways. Extreme weather events linked to climate change might damage our buildings or disrupt our tenants' operations, resulting in financial losses. Consequently, we understand the importance of implementing both physical and non-physical strategies to mitigate climate-related risks.

TARGETS

Based on the risk analyses performed, we have identified risks related to water and heat that are currently not classified as high, but in our opinion, in line with the "safety first" approach, are worthy of appropriate management. We are currently planning to install weather stations across our portfolio to systematically analyze weather data. We have developed a list of solutions that are not yet necessary to implement.

ACTIONS

Since 2023, we have integrated Physical Climate Risk Assessments (CRVA) into all new developments, in line with the EU Taxonomy Regulation, and are progressively extending this to our existing portfolio.

In 2024, we assessed over 20 locations using a standardized CRVA methodology aligned with Accolade's requirements. We apply RCP 4.5 and 8.5 scenarios over a 50 year horizon, ensuring proportionality to the scale and expected lifespan of each asset.

Given the standardized nature of logistics building design, we have incorporated climate risk mitigation measures into our technical building standard for new projects – despite not identifying any high-risk exposures requiring action under the Taxonomy criteria. Adaptation measures are ready, should future assessments reveal such risks.

Based on the risk analyses performed, we have identified risks related to water and heat that are currently not classified as high, but in our opinion, in line with the "safety first" approach, are worthy of appropriate management.

USING HIGH QUALITY MATERIALS FOR OUR MODERN INDUSTRIAL PARKS

WE ARE COMMITTED TO CONTINUE DEVELOPING OUR INDUSTRIAL PARKS TO THE HIGHEST MODERN STANDARDS, GUIDED BY THE PRINCIPLES OUTLINED IN OUR WHITE BOOK. THIS DETAILED GUIDE OUTLINES TECHNICAL SPECIFICATIONS, QUALITY BENCHMARKS, AND PROCESSES THAT ENCOURAGE EFFICIENT AND ECONOMICALLY SUSTAINABLE PARK DEVELOPMENT.

MATERIALS & WASTE

IMPACT

The construction industry stands out as the leading waste generator among all sectors. Accolade, a company heavily involved in the creation and management of industrial spaces, places significant emphasis on the selection and application of construction materials and technologies. The design of contemporary industrial warehouses is highly modular. The majority of components are pre-fabricated and ready for assembly upon arrival at the construction site. This approach not only expedites the construction timeline but also considerably reduces the environmental impact of the construction process and minimizes waste production on-site. Additionally, this method eases the assembly and disassembly process, allowing for the prompt replacement of any damaged components.

TARGETS

In the coming years, our objective is to keep systematically gathering and evaluating data on the total volume of construction waste produced. This will enable us to gain a deeper understanding of our environmental impact and establish meaningful targets aimed at waste reduction and improved recycling performance. We intend to introduce data collection by construction stage to understand which processes generate the most waste.

ACTIONS

Every new construction contractor working with Accolade is required to establish a Site Waste Management Plan in line with the EU Construction and Demolition Waste Management Protocol. We mandate that a minimum of 70% (by weight) of non-hazardous construction and demolition waste produced on-site is prepared for reuse, recycling, and other forms of material recovery. Waste must be sorted into at least five categories, and contractors are required to document the waste handling methodology for each waste group.

In 2024, we successfully implemented a centralized system for tracking and monitoring construction waste data, that will enable us to collect, analyze, and optimize waste management efforts more effectively in the future.

	2023	2024
70% THRESHOLD AS A MINIMAL REQUIREMENT	IMPLEMENTED	IMPLEMENTED
% OF WASTE DIVERTED FROM LANDFILL*	IMPLEMENTED	IMPLEMENTED
WASTE GENERATED (kg per m^2 of gla delivered)	n/a	3.58
% OF WASTE RECYCLED	n/a	88

**Requirement that waste must be sorted into at least five categories and to document the waste handling methodology for each waste group.*

GREEN BUILDING CERTIFICATION

At Accolade, we comply with the principle of responsible investments with respect for the world around us. We plan our projects in a manner that ensures their compliance with the highest standards of the internationally accepted green building sustainability certifications.

Green certification guarantees:

- HIGH LEVEL OF ENVIRONMENTAL FRIENDLINESS
- SUITABLE WORKING CONDITIONS FOR EMPLOYEES
- SUSTAINABLE CONSTRUCTION PRACTICES

Health, safety, and environmental risks are monitored prior to and throughout the development of our projects. All new Accolade projects are obliged to have the green building certification.

BREEAM STATUS	2023 GLA	2024 GLA
OUTSTANDING	320 789.00	441 405.72
EXCELLENT	853 209.00	991 970.30
VERY GOOD	1 119 255.00	1 118 157.38
GOOD	216 209.00	199 669.54
TOTAL	**2 509 556.00**	**2 751 202.94**

RESPECTING BIODIVERSITY AND ECOSYSTEMS

ACCOLADE'S PORTFOLIO IS CHARACTERIZED BY THE SIGNIFICANT PRESENCE OF REVITALIZED BROWNFIELD SITES, DEMONSTRATING OUR STRATEGIC COMMITMENT TO RENEWING THESE AREAS. WE ARE CONVINCED OF THE TRANSFORMATIVE POTENTIAL OF ESTABLISHING ENVIRONMENTALLY FRIENDLY PARKS THAT BREATHE NEW LIFE INTO OVERLOOKED AND DESERTED AREAS.

BROWNFIELDS, LAND USE AND BIODIVERSITY

IMPACT

Large-scale industrial projects demand significant land resources, potentially leading to the conversion of natural or agricultural spaces into industrial areas. Such conversions can have a substantial impact on local land use configurations. The activities of companies situated in these industrial parks can cause alterations in the existing ecosystems, which could be due to changes in land use, pollution, or disturbances to local species. Nevertheless, Accolade is able to implement strategies that protect and restore biodiversity and ecosystems. This can be accomplished through detailed planning, minimizing impacts on local species, and executing restoration projects. By directing investment towards the restoration of brownfield sites, Accolade assists in eradicating historical environmental liabilities in the region, thus contributing to environmental remediation and urban revitalization.

ACTIONS

Operating within an EU framework, we conduct environmental impact assessments in accordance with European directives. As part of our site development projects, we are obliged to implement mitigation and compensation measures required by these assessments to protect the environment.

In cases where new constructions are planned on potentially contaminated sites (brownfield sites), these sites are subject to an investigation for potential contaminants, ideally in accordance with the Environmental Site Assessment Standard. Often, remediation of the contaminated site is the chosen solution.

Frequently, due diligence for land and environment is performed externally to identify potential liabilities and limitations linked to the investment area, as this is a factor that influences the financial aspects of the investment.

TARGETS

	2023	2024
GLA DELIVERED ON REVITALIZED BROWNFIELDS [m²]	866 708.00	1 047 276.00
TOTAL AREA OF REVITALIZED BROWNFIELDS (SITE AREA) [m²]	3 788 238.00	3 973 786.50

RESPONSIBLE HANDLING OF WATER RESOURCE

AT ACCOLADE, WE'RE ACUTELY AWARE OF THE LIMITED NATURE OF WATER RESOURCES, WHICH DRIVES US TO MANAGE THEM WITH GREAT CARE. OUR COMMITMENT TO RESPONSIBLE WATER USE IS REFLECTED IN OUR STRATEGIC APPROACH TO BUILDING INDUSTRIAL PARKS WITH A STRONG EMPHASIS ON REDUCING WATER CONSUMPTION.

WATER

IMPACT

As a large-scale industrial project developer, we recognize our potential impact on water resources during both the construction and operational stages. While we don't have control over how our tenants use water in their technological processes, we are committed to doing our best in the areas we can control, such as implementing water-efficient equipment and placing a high emphasis on ensuring that our construction processes are well-managed and finding solutions to prevent the negative consequences that a poorly managed construction process can have on water pollution.

TARGETS

In the years ahead, we commit ourselves to the careful collection and examination of data related to water consumption, setting relevant water management goals and actions.

Our goal is to uphold the technical standard of water-related components and to implement cutting-edge water preservation technologies. We aim to consistently exceed industry standards for industrial buildings, guaranteeing the utmost level of water conservation.

Based on the collected data, we were able to draw conclusions and plan actions that will reduce water consumption in the Polish portfolio - the installation of a water circulation system used during tests of fire protection systems is planned.

ACTIONS

Underlining our commitment to environmental conservation, we strictly adhere to the technical specification of water-related aspects. We utilize the best technologies available for water preservation, thereby establishing a standard that transcends typical industry expectation for industrial edifices. Our objective is to consistently employ state-of-the-art sanitary facilities with the intention of reducing water usage, all while ensuring that service quality for users is not compromised.

In an effort to lessen the negative impact on water associated with our site operations, we have made it mandatory to monitor water usage, with the future goal of exploring opportunities to reduce water withdrawal in these processes. In accordance with green building certification standards, we have also established a set of guidelines for our partners. These guidelines outline measures that ensure our site operations are environmentally conscious and effectively prevent any water contamination caused by on-site activities.

In 2024, we implemented a system to more accurately monitor water usage by customer type. This will allow us to collect data on water usage in our projects and enable better analysis of utility usage data.

Tracking water usage during construction will allow us to better assess and implement water mitigation strategies at every stage of development.

	2023[1]	2024[2]
WATER INTENSITY USE IN BUILDING (PER YEAR) [m^3 per m^2]	0.22	0.16
TECHNICAL REQUIREMENTS FOR USED WATER APPLIANCES 1	IMPLEMENTED	IMPLEMENTED
WATER CONSUMPTION DURING CONSTRUCTION (m^3 per m^2)	n/a	0.05

1 Our technical requirements for used water appliances: wash hand basin taps with water flow of 2 liters/min; kitchen taps have a maximum water flow of 6 liters/min; showers have a maximum water flow of 6 liters/min; WC with double push buttons. Flushing systems must be equipped with an adjustment mechanism so that the installer can regulate the amount of water flushed. Only products with a factory setting (when placed on the market) for a maximum full flush of 4 liters per flush and a reduced flush of 2 liters per flush; urinals have a maximum full flush volume of 1 liter.

1 Disclaimer: Based only on the data for buildings fully operational through the whole year 2023 (more than 1 million GLA).

2 Disclaimer: Based only on the data for buildings fully operational through the whole year 2024 (more than 2 million GLA).

CARE AND RESPECT FREE FOR OUR EMPLOYEES

AT ACCOLADE, WE VALUE OUR EMPLOYEES AS THE FOUNDATION OF OUR SUCCESS, PRIORITIZING THEIR WELFARE AND GROWTH. OUR "BECAUSE PEOPLE MATTER" ETHOS UNDERSCORES OUR COMMITMENT TO AN INCLUSIVE, SUPPORTIVE WORKPLACE. WE STRIVE TO FOSTER A HEALTHY WORK ENVIRONMENT, PROMOTE EQUAL OPPORTUNITIES, AND SUPPORT WORK-LIFE BALANCE. OUR GOAL IS TO UNLEASH EACH INDIVIDUAL'S POTENTIAL, ENABLING THEM TO FULLY UTILIZE THEIR SKILLS.

EMPLOYMENT, INCLUSION & EQUALITY

IMPACT

At Accolade, we firmly believe that our people are the foundation of our success and a key driver of our competitive advantage. We place strong emphasis on employee development, understanding that investing in skill-building and continuous learning helps prevent burnout and maintain engagement.

Our corporate culture is built on transparency and professionalism. We are committed to fostering gender balance and diversity within our teams, as we believe that inclusive and varied perspectives lead to more creative thinking and better decision-making.

By supporting professional growth and creating an environment where employees can thrive, we successfully reduce staff turnover in critical positions. This not only lowers the costs of recruitment but also eases the impact that employee departures can have on remaining team members.

TARGETS

We are dedicated to the ongoing expansion of our training offerings at Accolade Academy, introducing new workshops and sessions on specific topics. In an effort to further foster our employees' professional development and enhance their work environment satisfaction, we have made a commitment to continually improve our internal communication processes.

ACTIONS

Accolade maintains a zero-tolerance policy toward discrimination based on gender, nationality, language, religion, political beliefs, disability, sexual orientation, or other protected characteristics. A group-wide whistleblower system, including anonymous reporting channels, remains available to all employees. In 2024, no discrimination incidents were reported.

We continued to expand the Accolade Academy to support employee growth. The learning offering now includes project management, Excel, Power BI, AI, soft skills, talent dynamics, and mentoring. New employees receive tailored onboarding training, including Excel, Power BI, and soft skills sessions. All employees take part in regular performance evaluations with their managers to support development and progression.

To strengthen our feedback culture, we introduced 360 ° feedback. In Poland, several teams completed their first feedback cycles in 2024, and we plan to gradually roll out the approach group-wide. Unlike traditional top-down feedback, 360 ° feedback gathers input from multiple sources—managers, peers, direct reports, and self-assessment—offering a comprehensive view of performance and development areas. This helps individuals increase self-awareness, strengthen leadership and collaboration, and drive continuous growth. The aim is to foster a culture of constructive feedback and personal development across the organisation.

In parallel, we completed the rollout of HiBob, our new group-wide HR system integrating core HR, payroll, and talent management. The platform improves transparency, enables data-driven people decisions, and reduces administrative complexity.

We also expanded the Buddy Program, which connects new hires with experienced colleagues to support onboarding, build internal networks, and accelerate integration.

In 2024, we launched our first group-wide Engagement Survey to understand how our people experience work at Accolade. The aim was not just to collect data, but to listen, learn, and act. The results provide actionable insight into what's working, where we can improve, and how to strengthen our culture. The Engagement Survey will now be conducted annually as part of our long-term commitment to building a workplace where all employees can thrive.

ENGAGEMENT SURVEY

CATEGORY	DESCRIPTION	SCORE (1—BEST, 5—WORST)
Teamwork & Relationships	Assesses team collaboration, trust, and mutual respect across all levels.	1.66
Office Environment & Office Management	Covers quality of office spaces, relaxation zones, snack program, and support services.	1.74
Conditions for Growth & Development	Evaluates support for career development, learning opportunities, and recognition.	2.04
Company Culture	Focuses on motivation, job satisfaction, and alignment with company values.	2.06
Company Environment	Includes atmosphere, management care, transparency, and internal communication.	2.17
Benefits	Satisfaction with benefits offered, clarity on application, and suggestions for improvement.	2.21
OVERALL SATISFACTION	**Aggregated score across all categories.**	**1.91**

COUNTRY	ENGAGEMENT SURVEY PARTICIPATION RATE
CZECH REPUBLIC	80%
POLAND	67%
SPAIN	100%
CROATIA	100%
OVERALL	**78%**

EMPLOYEE REALTED DATA

CATEGORY	CZECHIA	POLAND	EXTERNS	SPAIN	CROATIA	TOTAL
NUMBER OF EMPLOYEES TOTAL	117	26	13	3	4	163
NUMBER OF FULL TIME EMPLOYEES	101	25	n/a	3	4	133
NUMBER OF PART TIME EMPLOYEES	16	1	n/a	0	0	17
NUMBER OF PERMANENT EMPLOYEES TOTAL	117	21	13	3	4	158
WOMEN (Permanent)	74	17	5	1	3	100
MEN (Permanent)	43	4	8	2	1	58
NUMBER OF TEMPORARY EMPLOYEES	0	5	0	0	0	5
WOMEN (Temporary)	0	3	0	0	0	3
MEN (Temporary)	0	2	0	0	0	2
NUMBER OF NON-GUARANTEED HOURS EMPLOYEES	1	n/a	n/a	0	0	1
WOMEN (Non-Guaranteed Hours)	0	n/a	n/a	0	0	0
MEN (Non-Guaranteed Hours)	1	n/a	n/a	0	0	1
NEW EMPLOYEE HIRES TOTAL	31	11	1	1	1	45
WOMEN (New Hires)	24	8	0	1	1	34
MEN (New Hires)	7	3	1	0	0	11
UNDER 30 YEARS OLD (New Hires)	14	6	0	0	0	20
30-50 YEARS OLD (New Hires)	15	5	1	1	1	23
OVER 50 YEARS OLD (New Hires)	2	0	0	0	0	2
TURNOVER TOTAL	14	1	2	2	0	19
WOMEN (Turnover)	10	1	0	1	0	12
MEN (Turnover)	4	1	1	1	0	7
UNDER 30 YEARS OLD (Turnover)	7	1	0	0	0	8
30-50 YEARS OLD (Turnover)	6	1	0	2	0	9
OVER 50 YEARS OLD (Turnover)	1	0	0	0	0	1

EMPLOYEE DEVELOPMENT	2023	2024
AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE	12	9.4
PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER	100%	100%

DIVERSITY OF EMPLOYEES

CATEGORY	CZECHIA	POLAND	EXTERNS	SPAIN	CROATIA
WOMEN	63%	77%	38%	33%	75%
MAN	37%	23%	62%	67%	25%
UNDER 30 YEARS OLD	33%	42%	n/a	0%	25%
30-50 YEARS OLD	62%	54%	n/a	100%	75%
OVER 50 YEARS OLD	5%	4%	n/a	0%	0%

WELL-BEING, HEALTH & SAFETY

IMPACT

At Accolade, we fully recognize that the health, safety, and overall well-being of our employees are fundamental to the success of our operations. While our colleagues on construction sites may face physical hazards, those working in office environments can encounter challenges such as high workloads, stress, or ergonomic concerns linked to prolonged sitting.

We are deeply committed to upholding our responsibility to provide a safe and healthy work environment. We believe that safeguarding our people not only fulfills our ethical obligations but also positively influences operational performance and productivity.

This strong focus on health and safety also enhances our attractiveness as an employer and, in our view, plays a key role in maintaining lower employee turnover.

TARGETS

As we did not record any work-related ill health or incidents of work-related injuries, our goal is to maintain these statistics.

ACTIONS

In our dedication to fostering employee health, we adhere to all legal requirements, including providing training on work health and safety responsibilities and conducting risk assessments as part of the onboarding process. We ensure that relevant management is promptly informed about any registered accidents. Our health and safety training are conducted by external specialists to ensure the highest standards. We actively encourage our employees to report any potential health and safety concerns and to share their ideas for enhancing well-being in the workplace.

We are committed to fostering a healthy, balanced, and supportive work environment. In 2024, we expanded our well-being initiatives with a focus on work-life balance and healthier lifestyles. Employees benefit from a hybrid work model, ergonomic office design, and upgraded relaxation zones, now including private phone booths to enhance comfort and productivity.

We revamped our snack program to offer healthier options such as protein yogurts and seasonal fruits. AccoWake Yoga sessions were reintroduced to support mental and physical well-being. Our office greening project added more plants to improve air quality and the overall atmosphere.

Additional benefits include e-meal vouchers for nutritious lunches, two annual well-being days, an extra week of vacation, and a subsidized multisport card. We regularly organize health-focused activities to promote fitness and mental resilience. These proactive measures help mitigate occupational health and safety risks while reinforcing a positive company culture and strengthening business performance.

	2023	2024
FATALITIES DUE TO WORK-RELATED INJURIES OR WORK-RELATED ILL HEALTH	0	0
HIGH-CONSEQUENCE WORK-RELATED INJURIES	0	0
RECORDABLE WORK-RELATED INJURIES	0	0
RECORDABLE WORK-RELATED ILL HEALTH	0	0

INCREASING SOCIETAL ECONOMIC VALUE

ACCOLADE SIGNIFICANTLY IMPACTS ECONOMIC VALUE GENERATION, LEADING TO SOCIETAL BENEFITS. OUR INNOVATIVE OPERATIONS, ESPECIALLY IN LIGHT MANUFACTURING, REVITALIZE REGIONS AND STIMULATE LOCAL ECONOMIES, PREVENTING A SKILLED WORKER EXODUS. WE ALSO ENHANCE REGIONAL ECONOMIC GROWTH BY PROVIDING SUPERIOR LOGISTICS INFRASTRUCTURE.

ECONOMIC VALUE

IMPACT

Through our investments, we contribute to the revitalization of regions by bringing in modern operations and light manufacturing, which help strengthen local economies and support the retention of qualified talent. By focusing on emerging areas, we deliver advanced logistics infrastructure that drives regional development and creates tangible economic value.

The positive impact generated by our portfolio plays an important role in supporting economic stability at regional level. Our broad network of customers, suppliers, tenants, contractors, and partners allows us to engage with diverse communities and expand the reach of our business activities across multiple locations.

ACTIONS

Operating across multiple countries, Accolade is dedicated to building strong and lasting relationships with its business partners, suppliers, local communities, and clients. Through its activities, the company contributes to job creation, generates income, and supports public budgets through tax contributions, thereby delivering economic value in the regions where it operates.

Our aim is to generate long-term value for shareholders by managing our portfolio efficiently and by developing and expanding it with sustainable, high-quality buildings. In doing so, we strive to make a positive and lasting impact – environmentally, socially, and economically.

TARGETS

Our ambition is to continuously strengthen the direct economic value created and distributed across all stakeholder groups. We aim to maintain the current level of individuals benefiting from both direct and indirect value generation.

We remain committed to delivering infrastructure that supports the creation of indirect employment opportunities and contributes to long-term regional development.

Financial KPIs are reported in Financial Statement.

COUNTRY	NUMBER OF INDIRECT JOBS 2023	2024
CZECHIA	8 596	11 945
POLAND	13 791	14 430
SLOVAKIA	146	274
GERMANY	156	176
NETHERLANDS	15	116
SPAIN	55	97

SUPPORTING LOCAL COMMUNITIES

ENGAGING WITH LOCAL COMMUNITIES IS KEY TO UNDERSTANDING THEIR NEEDS. WE STRIVE TO BE AN EXEMPLARY NEIGHBOR, ENHANCING THE AREAS WE OPERATE IN AND IMPROVING LIVING CONDITIONS. WE VALUE PARTNERSHIPS AND COLLABORATIONS AS CATALYSTS FOR POSITIVE CHANGE. OUR LONG-TERM SUPPORT FOR LOCAL NGO'S UNDERSCORES OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT INITIATIVES, ADDRESSING LOCAL SOCIAL AND ENVIRONMENTAL ISSUES.

COMMUNITY ENGAGEMENT

IMPACT

We believe that active engagement with local communities has the potential to significantly strengthen our operations. It helps build closer relationships with stakeholders at local level and enhances both the transparency and effectiveness of our decision-making processes.

Community engagement also ensures that individuals have the opportunity to contribute to decisions that affect their everyday lives. At the same time, it supports long-term sustainability by encouraging collaboration and fostering meaningful partnerships.

TARGETS

As we expand and develop new industrial parks, we recognize our responsibility in contributing to the well-being of local communities. We aim to engage in initiatives that have a positive impact on the lives of local residents.

In addition, we encourage our employees to take an active role in society by offering the opportunity to volunteer for one full working day each year. We believe this not only supports the communities around us but also promotes personal growth and fulfillment among our team members.

ACTIONS

We see collaboration and strong partnerships as key drivers of meaningful and lasting change. Our commitment to the communities where we operate remains unwavering, and we continuously support local non-governmental organizations through long-term engagement.

We actively encourage our employees to get involved in social responsibility initiatives by providing opportunities for volunteering and community involvement. These activities allow our team members to contribute their time, knowledge, and skills to causes that matter – making a real impact in the lives of others.

Understanding the importance of flexibility and personal motivation, we empower employees to choose the initiatives and campaigns that resonate with them, ensuring alignment between individual interests and our broader community engagement efforts.

COUNTRY	COMMUNITY ENGAGEMENT PROJECT PARTNERSHIPS OR SPONSORSHIPS	WAY OF ENGAGEMENT	GOAL
CZECHIA	Trainers in the school	Making a donation, social media support	Program involves trained coaches in physical education classes at primary schools to support children's physical development, positively impacting their health and academic performance.
CZECHIA	Veronika Kašáková endowment fund	Making a donation, social media support	Supporting young people from children's homes in their transition to real life.
CZECHIA	Mokřady z.s.	Making a donation, volunteering within our company	Support the activities of the association which deals with this issue and implements various solutions beneficial to the environment, such as ponds and wetlands.
CZECHIA	Neuron Foundation	Making a donation, participating on the events	Support for science, scientists and their research.
CZECHIA	Hospic Sv. Jiří	Making a donation	Support for an organisation providing comprehensive hospice palliative care services, consisting of medical, psychological, social and spiritual support.
CZECHIA	MDO Cheb	Making a donation	Support of the culture.
CZECHIA	FC Slavia Karlovy Vary	Sponsorship of local football club.	We sponsor the football club primarily to support youth development, helping young players grow and reach their full potential.
CZECHIA	Everlasting Hope	Sponsoring of music festival.	The Věčná naděje festival preserves and develops the artistic heritage of composers silenced during WWII, highlighting works by Terezín artists and promoting humanity through art.
CZECHIA	Ota Hofman children's film festival	Sponsoring of local film festival.	By supporting this local yet well-known festival, we promote children's creativity and media education.
CZECHIA	JLL Volleyball tournament	Making a donation, participating in the event.	The event aims to raise funds to support a selected charity.

POLAND	Earth Day – Recycling day / Vive	Assistance in organizing the event in cooperation with the tenant—Vive.	Collection of textiles in 4 parks in Bydgoszcz. The collection made it possible to give new life to several hundred kilograms of clothing.
POLAND	Charity event with Cushman & Wakefield	Making a donation.	The event aimed to support the SYNAPSYS Foundation to help fund diagnosis and therapy for children and young people on the autism spectrum.
POLAND	Accolade Poland Volunteering Day	Organization of the event.	Our team got involved in cleaning up the Bielański forest in Warsaw.
POLAND	Eco-education for a school in Lublin	Organization of the event.	Organization of an event in the Park in Lublin in cooperation with one of the tenants. The event took the form of a class for children from a primary school in Lublin, during which the children could see the process of making honey at the apiary in the Park.
POLAND	JLL Volleyball tournament	Making a donation, participating in the event. We finished 5th in the tournament.	The event aims to raise funds to build the next Ronald McDonald House in Poland.
POLAND	E-waste collection event	Making a donation, participating in the events.	Organizing an electro-waste collection in which our employees participated and organizing educational class in for childrens in one of the schools in Bialystok.

Financial Section

BUSINESS OVERVIEW AND OTHER MATTERS

Information about financial results and assets in 2024

Consolidated assets (in CZK thousand)

The assets of Accolade Group as at 31 December 2024 amounted to CZK 40 260 829 thousand and consisted mainly of investment properties in the development phase as well as completed and leased projects and investment lands. This represents an increase of CZK 6 985 254 thousand compared to 2023 financial year (CZK 33 275 575 thousand). The Accolade Group continued to pursue its long-term business plan to expand its domestic and international portfolio of modern industrial parks.

Consolidated revenues (in CZK thousand)

In 2024 Accolade Group achieved a consolidated revenues of CZK 3 311 389 thousand. This represents a decrease of CZK 214 905 thousand compared to 2023 financial year (CZK 3 526 294 thousand). The decrease relates to lower gains from sale of assets via share deals or directly as asset deals (- CZK 811 653 thousand), which corresponds with higher value of consolidated assets. This decrease was partially offset by an increase in revenues from industrial leasing (+ CZK 331 466 thousand) and increase in revenues from the operation of Brno Airport (+ CZK 45 694 thousand).

The Accolade Group achieved a consolidated net profit excluding minority interests of CZK 1 386 663 thousand compared to 2023 financial year (CZK 811 444 thousand). This represents an increase of CZK 575 219 thousand. The result is mainly influenced by positive change in the value of investment properties and financial investments. On the other hand, there was an increase in interest costs from loans for continued investment development and the negative impact of changes in exchange rates.

Expected future business activity

In 2025 and over the coming years, Accolade Group will continue to actively seek locations suitable for the development of production, logistics and retail&e-commerce properties and optimize the performance of existing portfolio. At the same time, it will develop new projects and lease them to reputable tenants. Geographically, it will continue to focus on activities mainly in the Czech Republic, Poland, Slovakia, Spain, Croatia.

Accolade Group will continue to finance not only the construction of new projects but also the revitalization of neglected brownfields. The share of brownfields in Group portfolio was 32% in 2024 (similar to previous years).

Risk management

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 market risks, and also sets out circumstances where it would be appropriate to use financial instruments.

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 its 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.

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.

Research and development activities

The Group continues to have in its portfolio a project to build a fully functional and comprehensive polygon for testing vehicles with autonomous driving.

Environmental activities and labor law relations

The Accolade Group complies with applicable legislation and internal regulations in the area of labor relations. The Group considers the principles of environmental protection in the preparation and implementation of projects and actively monitors the impact of its activities on the environment.

Branches or divisions abroad

The Accolade Group has no branches abroad.

Acquisition of own shares

The Group has not purchased any of its own shares within the reported period.

Subsequent events

The Accolade Group, through Accolade Finco Czech 2, s.r.o., issued five-year senior bonds on April 3, 2025 with a nominal value of CZK 1 875 000 thousand, secured by a financial guarantee from Accolade Holding, a.s. The nominal value of one bond is CZK 3 000 thousand and the interest rate is 6.937 % p.a. Interest is paid semi-annually. The bonds are traded on the regulated market of the Prague Stock Exchange.

Apart from the above, there have been no events that have materially affected the Group's financial position between the balance sheet date and the date of approval of the annual report by the statutory body.

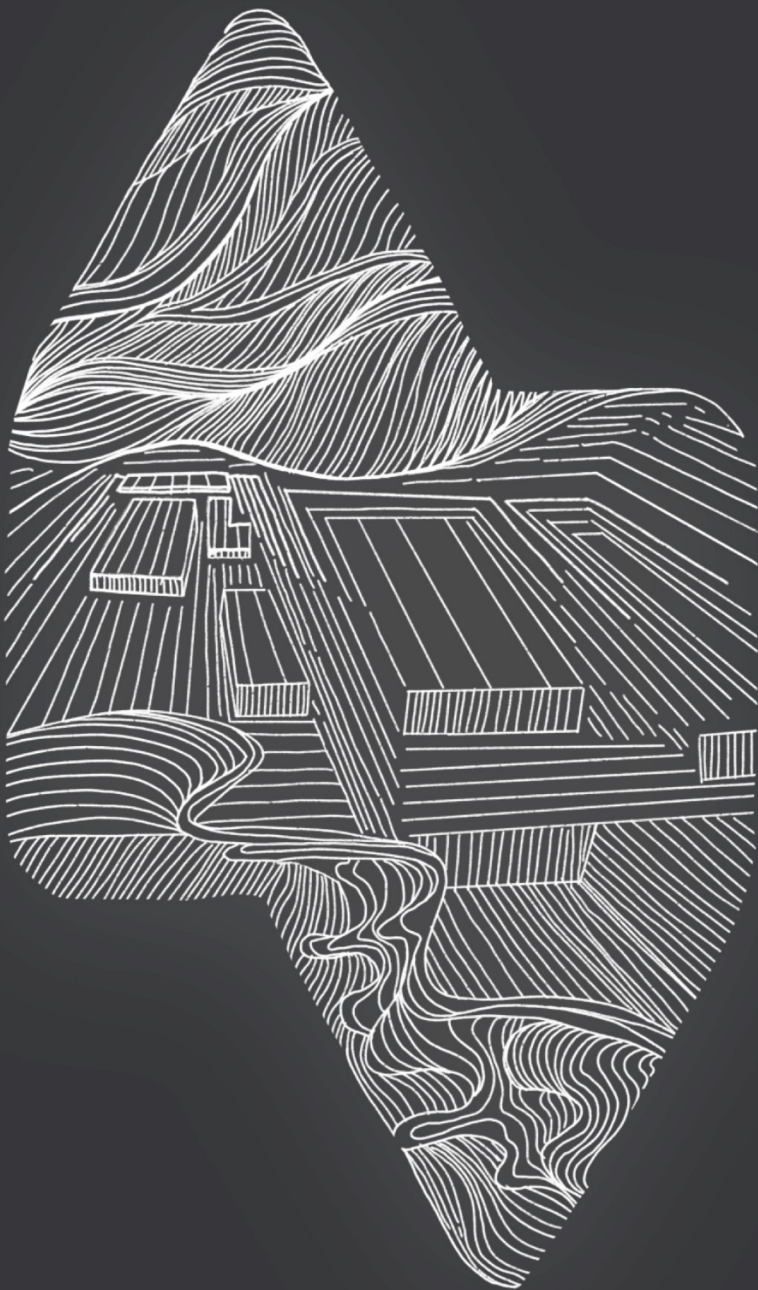
Management affidavit

Accolade Holding, a.s. hereby declares that all information and data contained in this Annual Report are accurate and complete.

Accolade Holding, a.s. hereby further declares that no subsequent events occurred prior to the date of processing this Annual Report that would have a material negative impact on the Company's financial position.

Signed on behalf of the Board of Directors, in Prague:

Milan Kratina Digitally signed by Milan Kratina Date: 2025.04.29 18:17:11 +02'00'	Ing. Zdeněk Šoustal Digitálně podepsal Ing. Zdeněk Šoustal Datum: 2025.04.29 19:45:05 +02'00'
Milan Kratina	Zdeněk Šoustal
CEO, Member of the Board of Directors	Member of the Board of Directors



ACCOLADE HOLDING, A.S.

Audited consolidated financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of CZK	Notes	31 December 2024	31 December 2023
Revenues	8	3 311 389	3 526 294
Cost of revenues	8	-1 733 134	-2 113 588
Gross profit		**1 578 255**	**1 412 706**
General and administrative expenses	8	-17 531	-17 052
Personnel expenses	41	-356 883	-295 116
Depreciation and amortization	20, 21	-110 703	-49 053
Other income/expense	8	-69 772	-89 899
Net valuation result on investment property	19	897 120	339 646
Net valuation result on equity-accounted associates	28	79 642	-201 660
Net valuation result on financial investments	30	-253	-3 191
Profit from operations		**1 999 875**	**1 096 381**
Financial income	8	1 087 171	987 204
Financial expense	8	-1 920 508	-1 152 638
Share on income/loss of financial investments		192 092	27 136
Profit before tax		**1 358 630**	**958 083**
Income taxes	9	-67 671	-108 730
Profit for the period from continuing operations		**1 290 959**	**849 353**
Profit for the period from discontinued operations	22	8 224	-7 160
PROFIT FOR THE PERIOD		**1 299 183**	**842 193**
Profit/(loss) for the year attributable to:			
Owners of the parent		1 386 663	811 444
Non-controlling interests	29	-87 480	30 749
PROFIT FOR THE PERIOD		**1 299 183**	**842 193**
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-172 136	-101 850
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1 127 047**	**740 343**
Total comprehensive income attributable to:			
Owners of the parent		1 209 546	709 594
Non-controlling interests		-82 499	30 749

The accompanying notes on pages 75–131 are an integral part of these consolidated financial statements

Accolade

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

In thousands of CZK	Notes	31 December 2024	31 December 2023
ASSETS			
CURRENT ASSETS			
Inventories	11	44 276	34 565
Trade and other receivables	13	368 250	801 568
Tax receivables	18	125 654	235 251
Prepayments and other current assets	18	574 894	400 835
Cash and cash equivalents	12	1 058 919	751 439
Assets classified as held for sale	22	0	635 949
TOTAL CURRENT ASSETS		**2 171 993**	**2 859 607**
NON-CURRENT ASSETS			
Investment property	19	16 074 679	14 443 425
Investment property under development	19	15 293 729	11 242 079
Property, plant and equipment	20	881 524	802 575
Intangible assets	21	207 928	209 758
Investments in equity-accounted associates	28	973 300	977 960
Investments at fair value through profit and loss	26	3 123 082	1 205 943
Trade and other receivable	13	1 526 559	1 496 634
Derivative financial assets	39	8 035	37 594
TOTAL NON-CURRENT ASSETS		**38 088 836**	**30 415 968**
TOTAL ASSETS		**40 260 829**	**33 275 575**

The accompanying notes on pages 75–131 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (continued)

In thousands of CZK	Notes	31 December 2024	31 December 2023
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	14	1 175 454	2 097 573
Loans and borrowings	16	3 734 067	2 027 124
Lease liabilities	15	45 851	31 856
Employee benefits	31	36 536	33 774
Income tax payable	31	16 226	37 026
Provisions	32	0	0
Liabilities associated with assets classified as held for sale	22	0	420 826
TOTAL CURRENT LIABILITIES		**5 008 134**	**4 648 179**
NON-CURRENT LIABILITIES			
Trade and other payables	14	3 873 465	2 503 066
Loans and borrowings	16	18 106 867	14 500 573
Lease liabilities	15	561 323	541 955
Deferred tax liability	10	184 186	288 456
Derivative financial liabilities	39	229 938	90 443
Provisions	32	18 155	18 155
TOTAL NON-CURRENT LIABILITIES		**22 973 934**	**17 942 648**
EQUITY			
Share capital	34	2 400	2 400
Reserve fund		664	1 170
Retained earnings		10 519 033	9 882 824
Net result for the period		1 386 663	811 444
Equity attributable to equity holders of the parent		**11 908 760**	**10 697 838**
Non-controlling Interest	29	370 001	-13 090
TOTAL EQUITY		**12 278 761**	**10 684 748**
TOTAL LIABILITIES AND EQUITY		**40 260 829**	**33 275 575**

The accompanying notes on pages 75–131 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of CZK	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**
Change in non-controlling interests without change in control	-	-	-	-	41 396	41 396
Purchase of non-controlling interest	-	-	-800	-800	800	0
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	-	-	1 386 663	1 386 663	-87 480	1 299 183
Application of hedge accounting	-	-	-165 785	-165 785	-2 769	-168 554
Foreign currency translation differences	-	-	-11 332	-11 332	7 750	-3 582
Total comprehensive income for the period	-	-	**1 209 546**	**1 209 546**	**-82 499**	**1 127 047**
Disposal of non-controlling interests and change in control	-	-	4 586	4 586	-4 586	0
Change in non-controlling interests without change in control	-	-506	-139 362	-139 868	473 676	333 808
Purchase of non-controlling interest	-	-	-	-	-	0
Contribution to shareholders´equity	-	-	196 658	196 658	-	196 658
Dividends	-	-	-60 000	-60 000	-3 500	-63 500
Total other movements	-	**-506**	**1 882**	**1 376**	**465 590**	**466 966**
Balance at 31 December 2024	**2 400**	**664**	**11 905 696**	**11 908 760**	**370 001**	**12 278 761**

The accompanying notes on pages 75–131 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

In thousands of CZK	Note	31 December 2024	31 December 2023
Cash flows from operating activities			
Profit for the year		**1 386 663**	**811 444**
Adjustments for:			
Amortization and depreciation	20, 21	110 703	49 053
Net valuation result on investment property	30	-897 120	-339 646
Net valuation result on equity-accounted associates	30	-79 642	201 660
Net valuation result on financial investments	30	253	-23 945
Gain from sale of investment property		-60 007	-220 995
Finance income	8	-167 923	-172 367
Finance expense	8	1 106 733	679 126
Income tax expense	9	67 671	108 730
Other non-cash operations		168 743	709 806
Operating profit before changes in working capital		**1 636 074**	**1 802 866**
Decrease/(increase) in trade and other receivables	13, 15	359 163	29 644
Decrease/(increase) in inventories	11	-9 711	13 523
Derivative financial assets	39	169 054	-4 579
Increase/(decrease) in trade and other payables	14, 15	-1 192 933	-2 030 126
Increase/(decrease) in provisions and employee benefits	31, 32	2 761	-106 653
Changes in net working capital		**-671 666**	**-2 098 191**
Net cash flows from operating activities		**964 408**	**-295 325**
Investing activities			
Acquisition of investment property and investment property under development	19	-7 313 127	-6 256 381
Acquisition of property, plant and equipment	20	-179 570	-136 111
Acquisition of Intangible assets	21	-8 669	-70 353
Proceeds from disposal of investment property, PPE and intangible assets	19, 20, 21	2 986 515	3 357 664
Acquisition of new shares, net of cash acquired	23	-1 966 819	-1 152 760
Interest received	8	147 691	172 367
Net cash used in investing activities		**-6 333 979**	**-4 085 574**
Financing activities			
Dividends paid to the holders of the parent		-60 000	-40 000
Dividends paid to minority holders		-3 500	0
Repayment of borrowings	16	-16 025 423	-3 359 889
Proceeds from loans and borrowings	16	22 622 025	8 486 727
Payment of lease liabilities	15	-44 107	-35 487
Interest paid on loans and borrowings	8, 15	-811 944	-586 196
Net cash (used in)/from financing activities		**5 677 051**	**4 465 155**
Net increase in cash and cash equivalents		**307 480**	**84 256**
Cash and cash equivalents at beginning of year		**751 439**	**667 183**
Cash and cash equivalents at end of year		**1 058 919**	**751 439**

The accompanying notes on pages 75–131 are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

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 voluntarily 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 31 Dec 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 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%

	Ownership	Established	Ownership as at 31 Dec 2024	Ownership as at 31 Dec 2023
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%
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%

	Ownership	Established	Ownership as at 31 Dec 2024	Ownership as at 31 Dec 2023
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 %
Accolade CZ 85, s.r.o., člen koncernu IN: 19063482	Direct	17.02.2023	100 %	100 %
Accolade CZ 86, s.r.o., člen koncernu IN: 21437238	Direct	04.04.2024	100 %	n/a
Accolade CZ 87, s.r.o., člen koncernu IN: 21437530	Direct	04.04.2024	100 %	n/a
Accolade CZ 88, s.r.o., člen koncernu IN: 21437815	Direct	04.04.2024	50 %*	n/a
Accolade CZ 89, s.r.o., člen koncernu IN: 21437912	Direct	04.04.2024	100 %	n/a
Accolade CZ 90, s.r.o., člen koncernu IN: 21437998	Direct	04.04.2024	100 %	n/a
Accolade CZ 91, s.r.o. IN: 21828792	Direct	17.07.2024	100 %	n/a
Accolade CZ 92, s.r.o. IN: 21828831	Direct	17.07.2024	100 %	n/a
Accolade CZ 93, s.r.o. IN: 21828865	Direct	17.07.2024	100 %	n/a
Accolade CZ 94, s.r.o. IN: 21828903	Direct	17.07.2024	100 %	n/a
Accolade CZ 95, s.r.o. IN: 21829012	Direct	17.07.2024	100 %	n/a
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	n/a**	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 %
Accolade PP 1, s.r.o., člen koncernu IN: 27949559	Direct	18.09.2007	100 %	100 %
Accolade CZ XVIII, s.r.o., člen koncernu IN: 04677595	Indirect	29.12.2015	100 %	100 %
SPV red, s. r. o. IN: 03027457	Direct	22.05.2014	100 %	100 %
Draltadon HC10, s.r.o. IN: 22243062	Direct	16.12.2024	100 %	n/a
Industrial Center CR 10 s.r.o. IN: 09637672	Indirect	16.12.2024	100 %	n/a
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	100 %	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%

	Ownership	Established	Ownership as at 31 Dec 2024	Ownership as at 31 Dec 2023
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 %
Accolade PL 51 sp. z o.o. IN: 0000984035	Direct	25.07.2022	n/a****	100 %
Accolade PL 52 sp. z o.o. IN: 0000992880	Direct	19.09.2022	100 %	100 %
PDC Industrial Center 253 sp. z o.o. IN: 0000936727	Direct	25.09.2024	100 %	n/a
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 %	n/a
Accolade SK VI, s.r.o. IN: 55254195	Direct	07.03.2023	100 %	n/a
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	n/a**	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 %	n/a
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 CZ 88, 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 daughter companies (subsidiaries) upon which the control of the Group is exercised.

Changes in the Group Structure

** Companies were sold from the Group in the period 1 January – 31 December 2024
*** Accolade Holding lost control above the company Accolade CZ 83, s.r.o., člen koncernu but significant influence remains (20%).
**** Accolade Holding lost control above the company Accolade PL 51 sp, z.o.o., but insignificant influence remains (10%).

Shareholders

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

	Interest in ultimate parent share capital	
Shareholder	**31 December 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 Consolidated financial statements of the Accolade Holding, a.s. were audited by an independent auditor BDO Audit s.r.o.

2. GOING CONCERN

As at the date of signing 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 report has been prepared on a going concern basis.

3. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These Consolidated financial statements (hereinafter "Financial Statements") for the year ended 31 December 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS Standards) as adopted by the European Union. The accounting policies used in preparing the Financial Statements are set out below. These accounting policies have been consistently applied in all material respects to all periods presented.

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. The accompanying Financial Statements were prepared on going concern basis. The Company's fiscal year begins on 1 January and ends on 31 December.

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 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 IFRSs that are binding for annual periods beginning on January 1, 2024

For annual reporting periods beginning on or after 1 January 2024, the following are newly effective requirements:

- Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)
- Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)
- Non-current Liabilities with Covenants (Amendment to IAS 1)

These amendments had no effect on the consolidated financial statements of the Group.

Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments).

The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)

The IASB issued the final amendments in September 2022.

The Amendments provide a requirement for the seller-lessee to determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Classification of Liabilities as Current or Non-Current (Amendment to IAS 1)

The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022.

The amendments require that an entity’s right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

Non-current Liabilities with Covenants (Amendment to IAS 1)

Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022.

If an entity’s right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period.

The amendments also provide clarification on the meaning of ‘settlement’ for the purpose of classifying a liability as current or non-current.

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

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The summary below lists all pronouncements with a mandatory effective date in future accounting periods:

- Lack of Exchangeability (Amendment to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards Lack of Exchangeability (Amendment to IAS 21)
- Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements) (Amendments to IFRS 9 and IFRS 7)
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group is currently assessing the effect of these new accounting standards and amendments.

Lack of Exchangeability (Amendment to IAS 21)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments arose as a result of a submission received by the IFRS Interpretations Committee about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice.

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In response to matters that had been raised to the IFRS Interpretations Committee as well as matters that arose during the post-implementation review of classification and measurement requirements of IFRS 9 Financial Instruments, in May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7:

Derecognition of financial liabilities

- Derecognition of financial liabilities settled through electronic transfers.

Classification of financial assets

- Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment – 'SPPI test')
- Contractual terms that change the timing or amount of contractual cash flows
- Financial assets with non-recourse features
- Investments in contractually linked instruments.

Disclosures

- Investments in equity instruments designated at fair value through other comprehensive income
- Contractual terms that could change the timing or amount of contractual cash flows.

The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified.

Annual Improvements to IFRS Accounting Standards Lack of Exchangeability (Amendment to IAS 21)

Annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard, or correct relatively minor unintended consequences, oversights or conflicts between requirements of the

Accounting Standards. The proposed improvements are packaged together in one document. This cycle of annual improvements addresses the following:

- Hedge Accounting by a First-time Adopter (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards)
- Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7)
- Gain or Loss on Derecognition (Amendments to IFRS 7)
- Introduction and Credit Risk Disclosures (Amendments to Guidance on implementing IFRS 7)
- Derecognition of Lease Liabilities (Amendments to IFRS 9)
- Transaction Price (Amendments to IFRS 9)
- Determination of a 'De Facto Agent' (Amendments to IFRS 10)
- Cost Method (Amendments to IAS 7).

Contracts Referencing Nature-dependent Electricity (previously Power Purchase Agreements) (Amendments to IFRS 9 and IFRS 7)

On 18 December 2024 the IASB issued amendments to improve the reporting by companies of the financial effects of nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs).

Nature-dependent electricity contracts assist companies to secure their electricity supply from wind and solar power sources. Since the amount of electricity generated under these contracts may vary based on uncontrollable factors related to weather conditions, current accounting requirements may not adequately capture how these contracts affect a company's performance. In response, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to improve the disclosure of these contracts in the financial statements. The amendments include:

- Clarifying the application of the 'own-use' requirements;
- Permitting hedge accounting if these contracts are used as hedging instruments; and
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on:

- The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.
- Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.
- Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.

The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows.

IFRS 18 Presentation and Disclosure in Financial Statements will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements. Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorization and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

On 9 May 2024, the International Accounting Standards Board (IASB) issued IFRS 19 Subsidiaries without Public Accountability: Disclosures.

Stakeholders have asked the IASB to permit a subsidiary reporting to a parent applying IFRS Accounting Standards in its consolidated financial statements to apply IFRS Accounting Standards with reduced disclosure requirements in its own financial statements. Considering this feedback, the IASB added a project to its research pipeline to provide reduced disclosure requirements for subsidiaries without public accountability. The project has culminated in the issuance of IFRS 19, which permits eligible subsidiaries to apply reduced disclosure requirements while applying the recognition, measurement and presentation requirements in IFRS Accounting Standards.

For example, under IFRS 19, an entity that has transactions within the scope of IFRS 2 Share-based Payment would not apply the disclosure requirements in IFRS 2.44-52, which are extensive. Instead, an entity would disclose only the information contained in paragraphs 31-34 of IFRS 19, which include a description of share-based payment arrangements, the number and weighted average exercise prices of share options, how an entity measures the fair value of equity-settled share-based payment transactions and other general information about transactions in the scope of IFRS 2.

As an indication of the scope of the reduction in disclosure requirements, IFRS 2 currently contains 991 words in its disclosure requirements, whereas IFRS 19 contains only 250 words relating to IFRS 2 disclosures.

The eligibility criteria for an entity to apply IFRS 19 are:

- The entity is a subsidiary (as defined in Appendix A of IFRS 10 Consolidated Financial Statements);
- The entity does not have public accountability; and
- The entity has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

An entity has public accountability if:

- Its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market; or
- It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

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 31 December 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:

Asset	Useful life
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 within the category Property, plant and equipment and a lease liability on the liability side. 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 31 December 2023, and 31 December 2022, 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 (LKTB/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 daily rates of exchange. 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.

7.23. Assets classified as Held for Sale

Assets and disposal groups of assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and groups of assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is considered met only if the sale is highly probable and the asset or group of assets is available for immediate sale in its present condition. Company management must take steps toward the sale of the asset or group of assets so as to complete the sale within one year from the date of the classification of the assets or group of assets as held for sale.

8. INCOME STATEMENT DISCLOSURES

Revenues

In thousands of CZK	**31 December 2024**	**31 December 2023**
Industrial leasing	1 077 055	745 589
Airport operations	501 236	455 542
Gains from sale of assets	1 015 321	1 826 974
Other	717 777	498 189
Total	**3 311 389**	**3 526 294**

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

In thousands of CZK	31 December 2024	31 December 2023
Industrial leasing	-401 286	- 254 793
Airport operations	-107 170	- 102 568
Costs related to sale of assets	-936 491	- 1 471 661
Other	-288 187	- 284 566
Total	**-1 733 134**	**-2 113 588**

General and administrative expenses

In thousands of CZK	31 December 2024	31 December 2023
Travel and representation expenses	-17 531	-17 052
Total	**-17 531**	**-17 052**

Other income/expense

In thousands of CZK	31 December 2024	31 December 2023
Real estate and other taxes	-32 120	-18 014
Gifts	-12 462	-4 093
Sold material	-1 581	-2 320
Cost of sold other fixed assets	-43 478	-610
Other operating expenses	-215 652	-99 831
Total other expenses	**-305 293**	**-124 868**
Revenues from sold other fixed assets	46 494	859
Revenues from sold material	2 821	3 197
Other operating revenues	186 206	30 913
Total other revenues	**235 521**	**34 969**
Other income/expense	**-69 772**	**-89 899**

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

Finance income

In thousands of CZK	31 December 2024	31 December 2023
Interest income - loans from related parties	143 542	141 459
Interest income - loans from third parties	11 134	29 168
Interest income from term deposits	13 247	1 740
Income from derivative operations	35 848	18 354
Foreign exchange gains	855 821	790 738
Other financial income	27 579	5 745
Total	**1 087 171**	**987 204**

Finance expense

In thousands of CZK	31 December 2024	31 December 2023
Interest expense - loans from related parties	-159 270	-181 716
Interest expense - loans from thirds parties	-362 408	-189 102
Interest expense on issued bonds	-195 543	-35 028
Interest expense on bank loans	-435 262	-304 516
Foreign exchange losses	-726 247	-395 245
Other financial expense	-41 777	-47 031
Total	**-1 920 508**	**-1 152 638**

9. INCOME TAX

Structure of the income tax for the year ended 31 December is as follows:

In thousands of CZK	31 December 2024	31 December 2023
Current income tax	82 615	74 564
Deferred tax	-14 944	34 166
Total	**67 671**	**108 730**

Reconciliation of effective income tax expense computed at the statutory rate and actual income tax expense incurred for the period ended 31 December is as follows:

In thousands of CZK	31 December 2024	31 December 2023
Accounting profit before income tax	1 358 630	958 083
At statutory rate of 21 %	285 312	182 036
Creation of tax loss	2 679	2 180
Permanent differences	401 827	360 514
Temporary differences	-186 865	-289 388
Income tax expense	**67 671**	**108 730**
Effective tax rate	***4,98 %***	***11,35%***

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 31 December 2024 nor as at 31 December 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 31 December as follows:

In thousands of CZK	31 December 2024		31 December 2023	
Deferred tax items	**Deferred tax asset**	**Deferred tax liability**	**Deferred tax asset**	**Deferred tax liability**
Difference between net book value of fixed assets for accounting and tax purposes	18 085	-249 819	200 948	-490 336
Other temporary differences:				
Provisions	4 315		1 273	
Tax losses	2 679		2 180	
Other	65 737	-25 183	23 292	-25 813
Total	**90 816**	**-275 002**	**227 693**	**-516 149**
Valuation allowance				
Deferred tax liability, net	**-**	**-184 186**	**-**	**-288 456**

Tax losses will be recognized when realized or if it will be probable that tax losses will be recoverable against available future profits.

The Group has applied new tax rate of 21% that is applicable since 1 January 2024 for all Czech entities. As at 31 December 2023 Czech tax rate used in deferred tax calculation was 21%.

For foreign entities, the relevant tax rates applicable in the given countries were used (Poland 19%, Croatia 18%, Slovakia 21%, Spain 25%).

11. INVENTORIES

In thousands of CZK	31 December 2024	31 December 2023
Raw materials and consumables	3 618	3 553
Work-in-progress	35 765	27 300
Goods for resale	4 893	3 712
Total inventories	**44 276**	**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.

No valuation allowance has been made against inventories as the reported value is the market price.

12. CASH

In thousands of CZK	31 December 2024	31 December 2023
Cash at bank available on demand	1 057 039	736 963
Short-term bank deposits	0	0
Cash on hand	1 880	14 476
Total Cash and cash equivalents	**1 058 919**	**751 439**

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

In the Statement of cash flows data for the previous period 2023, the lines “Increase/(decrease) in assets held for sale” and “Increase/(decrease) in liabilities held for sale” were merged into the line “Proceeds from disposal of investment property, PPE and intangible assets”. Furthermore, the line “Cash from acquisitions” was merged into the line “Acquisition of new shares, net of cash acquired”.

13. ACCOUNTS RECEIVABLES

In thousands of CZK	31 December 2024	31 December 2023
Trade receivables	364 344	321 425
Less: Provision for impairment of trade receivables	-59 088	-55 918
Trade receivables – net	**305 256**	**265 507**
Receivables to third parties	0	339 121
Receivables to related parties	1 526 559	1 490 428
Prepayments	43 325	28 356
Other trade receivables	19 669	174 790
Total trade and other receivables	**1 894 809**	**2 298 202**
Less: non-current portion	-1 526 559	-1 496 634
Current portion of trade and other receivables	**368 250**	**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 reviews 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 receivables:

When applying simplified approach to trade receivables with no significant financing component the Group prepares 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:

31 December 2024	**Gross carrying amount of trade receivables**			**Expected loss provision for trade receivables**			**Net carrying amount of trade receivables**
In thousands of CZK	**Stage 2**	**Stage 3**	**Total**	**Stage 2**	**Stage 3**	**Total**	
Non-financial corporations	306 751	57 593	364 344	-1 495	-57 593	-59 088	305 256
Total	**306 751**	**57 593**	**364 344**	**-1 495**	**-57 593**	**-59 088**	**305 256**

31 December 2023	**Gross carrying amount of trade receivables**			**Expected loss provision for trade receivables**			**Net carrying amount of trade receivables**
In thousands of CZK	**Stage 2**	**Stage 3**	**Total**	**Stage 2**	**Stage 3**	**Total**	
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.

31 December 2024 *In thousands of CZK*	**31 December 2023**	**Additions**	**Derecognitions**	**Transfer between stages**	**Other changes in credit risk**	**Other**	**31 December 2024**
Stage 2	–75	-1 420	0	0	0	0	**-1 495**
Stage 3	–55 843	-1 750	0	0	0	0	**-57 593**
Total	**–55 918**	**-3 170**	**0**	**0**	**0**	**0**	**-59 088**

31 December 2023 *In thousands of CZK*	**31 December 2022**	**Additions**	**Derecognitions**	**Transfer between stages**	**Other changes in credit risk**	**Other**	**31 December 2023**
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 and related parties are due within 10 years of 31 December 2024. None of those receivables has been subject to a significant increase in credit risk since initial recognition and, consequently, 12 months expected credit losses have been recognized, and there are no non-current receivable balances lifetime expected credit losses.

14. ACCOUNTS PAYABLE

In thousands of CZK	**31 December 2024**	**31 December 2023**
Short-term part of trade payables		
Trade payables	709 259	1 055 640
Short-term advances received	9 665	5 929
Accrued expenses	374 852	616 939
Deferred revenues	78 310	123 700
Other short-term payables	3 368	295 365
Total short-term part of trade payables	**1 175 454**	**2 097 573**
Long-term part of trade payables		
Trade payables	534 116	243 878
Long-term advances received	11 530	16 085
Deferred revenues	2 545 013	1 480 326
Other long-term payables	782 805	762 777
Total long-term part of trade payables	**3 873 465**	**2 503 066**
Total Trade and other payables	**5 048 919**	**4 600 639**

Included in the above value of liabilities is deferred income of EUR 2 623 million. CZK in 2024 (CZK 1 604 million in 2023). These are tenant-paid modifications to the leased premises according to their specific requirements. These payments are dissolved over the leases periods into income.

Another payables item where we do not expect a maturity risk is construction-related items that are financed by an investment bank loan. These are items that are part of the project plans agreed with the banks for the loans.

The amount of liabilities financed by investment bank loans reach the amount of CZK 971 million in 2024 (CZK 715 million in 2023).

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:

In thousands of CZK	**31 December 2024**	**31 December 2023**
Less than 12 months	716 002	817 141
1 to 5 years	2 093 864	2 548 188
More than 5 years	1 746 526	1 927 622
Total	**4 556 392**	**5 292 952**

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

In thousands of CZK	**31 December 2024**	**31 December 2023**
Short- term lease receivables	716 002	817 141
Long-term lease receivables	3 840 390	4 475 810
Total lease liabilities	**4 556 392**	**5 292 951**

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 31 December 2024 and 31 December 2023 are as follows:

31 December 2024	**Gross carrying amount of lease receivables**			**Expected loss provision for lease receivables**			**Net carrying amount of lease receivables**
In thousands of CZK	**Stage 2**	**Stage 3**	**Total**	**Stage 2**	**Stage 3**	**Total**	
Non-financial corporations	4 492 944	63 448	4 556 392	-44 929	-1 269	-46 198	4 510 193
Total	**4 492 944**	**63 448**	**4 556 392**	**-44 929**	**-1 269**	**-46 198**	**4 510 193**

31 December 2023	**Gross carrying amount of lease receivables**			**Expected loss provision for lease receivables**			**Net carrying amount of lease receivables**
In thousands of CZK	**Stage 2**	**Stage 3**	**Total**	**Stage 2**	**Stage 3**	**Total**	
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:

31 December 2024 *In thousands of CZK*	31 December 2023	Additions	Derecognitions	Transfer between stages	Other changes in credit risk	Other	31 December 2024
Stage 2	**–52 891**	0	7 962	0	0	0	**-44 929**
Stage 3	**–78**	-1 191	0	0	0	0	**-1 269**
Total	**–52 969**	**-1 191**	**7 962**	**0**	**0**	**0**	**-46 198**

31 December 2022 *In thousands of CZK*	31 December 2022	Additions	Derecognitions	Transfer between stages	Other changes in credit risk	Other	31 December 2023
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 31 December 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 552 895 thousand held under leases for the period ended 31 December 2024 (31 December 2023: CZK 537 890 thousand).

Movements in Right-of-Use Assets are described also in 13. PROPERTY, PLANT AND EQUIPMENT:

In thousands of CZK	31 December 2024	31 December 2023
The carrying amount of right-of-use assets at the end of the reporting period:	**1 100 193**	**1 037 643**
Land and buildings	926 801	864 251
Fixtures, fittings and motor vehicles	173 392	173 392
Depreciation charge for right-of-use assets:	**-547 298**	**-499 753**
Land and buildings	-443 555	-404 653
Fixtures, fittings and motor vehicles	-103 743	-95 100
The net carrying amount of right-of-use assets at the end of the reporting period:	**552 895**	**537 890**
Land and buildings	483 246	459 598
Fixtures, fittings and motor vehicles	69 649	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 are 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:

In thousands of CZK	31 December 2024	31 December 2023
Less than 12 months	45 851	31 856
1 to 5 years	159 767	125 380
More than 5 years	401 556	416 575
Total lease liabilities	**607 174**	**573 811**

CZK '000	31 December 2024	31 December 2023
Short- term lease liabilities	45 851	31 856
Long-term lease liabilities	561 323	541 955
Total lease liabilities	**607 174**	**573 811**

Leases of low-value assets are recognized as Short-term trade payables. The Group recognizes such lease payments as an operating expense, which is 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.

In thousands of CZK	31 December 2024	31 December 2023
Interest expense on lease liabilities	6 684	4 002
Total cash outflow for leases (excluding VAT)	44 107	35 487

In the period 1 January - 31 December 2024 the Group incurred interest expense on lease liabilities of CZK 6 684 thousand (in 2023: CZK 4 002 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:

In thousands of CZK	31 December 2024	31 December 2023
Non-Current		
Bank loans	**11 429 348**	**8 361 168**
secured	64 000	0
unsecured	11 365 348	8 361 168
Bonds	**3 104 726**	**894 500**
secured	2 704 726	0
unsecured	400 000	894 500
JV Loans	**2 545 267**	**2 895 326**
secured	2 545 267	2 870 340
unsecured	0	24 986
3rd Party Loans and Borrowings	**1 027 526**	**2 349 579**
unsecured shareholder loans	52 413	154 124
unsecured & secured 3rd party loans	954 573	2 195 455
Total Non-Current	**18 106 867**	**14 500 573**
Current		
Bank loans	**1 174 356**	**398 853**
unsecured	16 000	0
secured	1 158 356	398 853
Bonds	**756 904**	**13 803**
unsecured	240 000	0
secured	516 904	13 803
JV Loans	**564 852**	**351 733**
unsecured	545 551	322 215
secured	19 300	29 518
3rd Party Loans and Borrowings	**1 237 955**	**1 262 735**
unsecured shareholder loans	0	0
unsecured & secured 3rd party loans	1 237 955	1 262 735
Total Current	**3 734 067**	**2 027 124**
Total loans and borrowings	**21 840 934**	**16 527 697**

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

In thousands of CZK	31 December 2024	31 December 2023
Floating rate	14 266 240	9 268 325
Fixed rate	7 574 694	7 259 372
Total	**21 840 934**	**16 527 697**

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

In thousands of CZK	31 December 2024	31 December 2023
CZK	4 263 644	1 268 675
EUR	17 577 290	15 259 021
Other	0	0
Total	**21 840 934**	**16 527 697**

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

In thousands of CZK	**31 December 2024**	**31 December 2023**
Expiry within 1 year	1 746 668	1 792 953
Expiry in more than 1 years	1 341 645	3 975 004
Total	**3 088 313**	**5 767 958**

The Group has quantified the undrawn credit facilities based on all available information as at 31 December 2024, including consideration of expected changes over the next 6 months of 2025.

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 8,7902%. 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.

CZK '000	**31 December 2024**
Nominal value	3 000 000
Unpaid interests	17 816
Cost of issue	-73 090
Bonds total	**2 944 726**
Current	240 000
Non-current	2 704 726
Bonds total	**2 944 726**

18. OTHER CURRENT ASSETS

In thousands of CZK	**31 December 2024**	**31 December 2023**
VAT receivable	125 654	235 251
Other tax receivable	0	6 458
Pre-paid expenses	374 191	202 765
Accrued revenues	134 752	111 439
Estimated revenues	65 951	80 173
Total other current accounts assets	**700 548**	**636 086**

Pre-paid expenses are mainly composed of paid advances on utilities, deferred financing costs and letting fees. Accrued revenues 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

In thousands of CZK	Investment property under development	Investment property	Total
At January 1, 2024	11 242 079	14 443 425	25 685 504
Additions	6 927 637	553 072	7 480 709
Change of the category/transfer	-2 874 669	2 874 669	0
Disposals	-1 318	-2 694 753	-2 696 071
Fair value gain (loss) recognized in profit or loss	0	898 266	898 266
At December 31, 2024	**15 293 729**	**16 074 679**	**31 368 408**

In thousands of CZK	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	0	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 present transfers to investment property after the project is completed.
Investment property is composed of land and industrial buildings that are leased out to the various tenants outside the Group. The most significant changes are the completion of several projects and their following sale to the Fund.
A part of owned land plots and buildings are subject to 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 purpose of financial reporting.
The fair value of investment property is categorized 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 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 consists in comparison with similar properties for which price information is available. Location, usability in terms of construction and size are reflected when selecting samples. Analysis and adjustment of differences between the subject property and the comparable property is performed by an external valuer.

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 based on comparable transactions and industry data.

Significant assumptions/ unobservable inputs
- Equivalent yield (5.15% to 8.13%; weighted average 6.19%) - Expected vacancy rate (0% to 2.25%) - Rental growth rate (0%) - Rent-free periods: 0-11 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: 31 December 2024.

20. PROPERTY, PLANT AND EQUIPMENT

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

In thousands of CZK	Land	Buildings	Fixtures, fittings and motor vehicles	Right of Use	Artworks	Assets under construction	Total
Cost							
At January 1, 2024	29 294	68 414	134 678	1 037 643	650	136 817	1 407 496
Additions	23 896	68 544	30 703	62 550	0	123 345	309 038
Disposals	-455	- 2 727	-11 985	0	0	-155 860	-171 027
At December 31, 2024	**52 735**	**134 231**	**153 396**	**1 100 193**	**650**	**104 302**	**1 545 507**
Accumulated depreciation							
At January 1, 2024	0	−19 168	−86 000	−499 753	0	0	−604 921
Charge for the year	0	-5 278	-47 528	-47 545	0	0	-100 351
Disposals	0	2 727	38 562	0	0	0	41 289
At December 31, 2024	**0**	**-21 719**	**-94 966**	**-547 298**	**0**	**0**	**-663 983**
Net book value at December 31, 2024	**52 735**	**112 512**	**58 430**	**552 895**	**650**	**104 302**	**881 524**

In thousands of CZK	Land	Buildings	Fixtures, fittings and motor vehicles	Right of Use	Artworks	Assets under construction	Total
Cost							
At January 1, 2023	23 696	67 881	110 362	1 019 534	650	108 126	1 330 249
Additions	5 598	533	27 280	27 564	0	62 485	123 460
Disposals	0	0	-2 964	-9 455	0	-33 794	-46 213
At December 31, 2023	**29 294**	**68 414**	**134 678**	**1 037 643**	**650**	**136 817**	**1 407 496**
Accumulated depreciation							
At January 1, 2023	0	-17 430	-78 131	-477 137	0	0	-572 698
Charge for the year	0	-1 738	-9 265	-33 871	0	0	-44 874
Disposals	0	0	1 396	11 255	0	0	12 651
At December 31, 2023	**0**	**-19 168**	**-86 000**	**-499 753**	**0**	**0**	**-604 921**
Net book value at December 31, 2023	**29 294**	**49 246**	**48 678**	**537 890**	**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 58 430 thousand (2023: 48 678 thousand) 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 31 December 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 552 895 thousand Held under leases for the period ended 31 December 2024 (31 December 2023: CZK 537 890 thousand).

The net book value of assets under construction includes an amount of CZK 60 784 thousand (2023: CZK 92 645 thousand) relating to the new buildings, machines and technical improvements in the airport and paid advances related to new asset purchases amounted to CZK 43 518 thousand (2023: 44 172 thousand). 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.

In thousands of CZK	31 December 2024	31 December 2023
Interest expense - loans from related parties	167 592	138 163
Interest expense - loans from thirds parties	1 795	0
Interest expense on issued bonds	10 542	1 482
Interest expense on bank loans	157 138	60 322
Total Borrowing costs	**337 068**	**199 967**

21. INTANGIBLE ASSETS

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

In thousands of CZK	Software	Goodwill	Other intangible assets	Assets under construction	Total
Cost					
At January 1, 2024	17 370	202 663	14 223	147	234 403
Additions	3 396	0	100	69	3 565
Disposals	0	0	0	-147	-147
At December 31, 2024	**20 766**	**202 663**	**14 323**	**69**	**237 821**
Accumulated depreciation					
At January 1, 2024	−10 904	0	−13 741	0	−24 645
Charge for the year	-5 178	0	-70	0	-5 248
Disposals	0	0	0	0	0
At December 31, 2024	**-16 082**	**0**	**-13 811**	**0**	**-29 893**
Net book value at December 31, 2024	**4 684**	**202 663**	**512**	**69**	**207 928**

In thousands of CZK	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**

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 DISCONTINUED 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 loss for the year from discontinued operations were as follows:

In thousands of CZK	**31 December 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:

In thousands of CZK	**31 December 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 MAHLE Behr Ostrov s.r.o. Then MAHLE Behr Ostrov s.r.o. merged with Accolade CZ 78, s.r.o., člen koncernu.

On September 25, 2024, the Group acquired 100% interest in the company PDC Industrial Center 253 sp. z o.o.

On December 16, 2024, the Group acquired 100% interest in the company Draltadon HC10, s.r.o. and thus acquired 100% in the company Industrial Center CR10 s.r.o., as Industrial Center CR10 s.r.o. is a 100% subsidiary of Draltadon HC10, s.r.o.

The purchases of new companies are in line with the Group's strategy of building new, sustainable industrial facilities. No significant goodwill has arisen from the new acquisitions, nor have any other intangible assets and liabilities been identified.

In thousands of CZK	Total carrying values 2024	Total fair values 2024
Identifiable assets and liabilities acquired		
Cash and cash equivalents	32 418	32 418
Trade and other receivables	21	21
Inventories	0	0
Investment Property	0	0
Investment property under development	168 728	168 728
Property, plant and equipment	14 897	14 897
Other intangible assets	0	0
Other investments	0	0
Trade and other payables	-21 260	-21 260
Borrowings	-30 951	-30 951
Deferred tax payable	-22 457	-22 457
Net identifiable assets and liabilities	**141 396**	**141 396**
Value of transactions from business combinations		
Groups share of net assets acquired		141 396
Non-controlling interest		0
Goodwill		0
Gain from Bargain purchase		-17 738
Total purchase consideration		**123 658**
Cash outflow arising on acquisition		
Cash consideration paid		-123 658
Cash and cash equivalents acquired		32 418
Net cash outflow arising on acquisition		**-91 240**

24. GOODWILL

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

In thousands of CZK	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 December 31, 2024		**202 663**

Impairment testing

As at 31 December 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:

31 December 2024			**Level of fair value**		
In thousands of CZK	**Carrying amount**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortised costs	**3 536 657**	**3 536 657**	**0**	**0**	**3 536 657**
Trade and other receivables	1 894 809	1 894 809	0	0	1 894 809
Prepayments and other financial assets	582 929	582 929	0	0	582 929
Cash equivalents	1 058 919	1 058 919	0	0	1 058 919
Financial liabilities at amortised costs	**26 889 853**	**26 889 853**	**0**	**0**	**26 889 853**
Trade and other payables	5 048 919	5 048 919	0	0	5 048 919
Loans and borrowings	21 840 934	21 840 934	0	0	21 840 934
Net book value as at 31 December, 2024	**-23 353 196**	**-23 353 196**	**0**	**0**	**-23 353 196**

31 December 2023			**Level of fair value**		
In thousands of CZK	**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:

31 December 2024		**Level of fair value**		
In thousands of CZK	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit and loss	3 123 082	0	0	3 123 082

31 December 2023		**Level of fair value**		
In thousands of CZK	**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

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

	Czech Republic		EU	
In thousands of CZK	**31 December 2024**	**31 December 2023**	**31 December 2024**	**31 December 2023**
Financial assets at amortised costs	**2 672 978**	**2 504 458**	**863 679**	**1 218 863**
Trade and other receivables	1 689 224	1 857 476	205 585	440 726
Prepayments and other financial assets	318 470	222 482	264 459	451 198
Cash equivalents	665 284	424 500	393 635	326 939
Financial assets at fair value through profit and loss	**27 742**	**26 004**	**3 095 340**	**1 179 939**
Financial liabilities at amortised costs	**19 419 583**	**13 386 634**	**7 470 269**	**7 741 702**
Trade and other payables	4 404 214	3 403 206	644 704	1 197 433
Loans and borrowings	15 015 369	9 983 428	6 825 565	6 544 269

The Group operational activities are mainly performed in Czech Republic, Poland, Slovakia, Spain and 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 31 December 2024**	**Proportion of ownership interest held as at 31 December 2023**
Ballesteros one a.s.	Czech Republic	20 %	20 %
Thyramen a.s.	Czech Republic	20 %	20 %
Accolade CZ 83, s.r.o., člen koncernu	Czech Republic	20 %	100 %
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 %
APH Park s.r.o.	Czech Republic	50 %	0 %
ACCOLADE HU I Kft	Hungary	20 %	20 %
PDC Industrial Center 213 Sp. z o.o.	Poland	37 %	25 %
Accolade PL XI sp. z o. o.	Poland	32 %	32 %
Accolade PL XVI sp. z o.o.	Poland	0 %	39 %
Accolade PL XX sp. z o.o.	Poland	26 %	26 %
Accolade PL XXV sp. z o.o.	Poland	0 %	49 %

in thousands of CZK	**31 December 2024**	**31 December 2023**
Current assets	1 483 320	1 500 083
Non-current assets	9 894 772	10 278 725
Current liabilities	-3 950 019	-594 027
Non-current liabilities	-3 983 035	-7 920 089
Total comprehensive income	1 579 042	-657 558
Net assets	3 445 038	3 264 692
Group share of net assets	**973 300**	**977 960**
Fair value gain (loss) recognised in profit or loss	**79 642**	**-201 660**

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

31 December 2024	**Ownership % held by Group**							
in thousands of CZK	**20 %**	**26 %**	**28 %**	**32 %**	**37 %**	**39 %**	**49 %**	**50 %**
Current assets	220 057	49 014	465 375	68 715	279 776	0	0	358 214
Non-current assets	2 860 411	1 567 867	1 818 340	1 142 316	2 128 460	0	0	377 379
Current liabilities	-906 068	-1 245 891	-322 074	-250 661	-977 196	0	0	-248 128
Non-current liabilities	-1 224 484	-371 910	-202 470	-658 907	-1 414 884	0	0	-110 380
Total comprehensive income	849 604	124 871	34 249	432 196	101 580	0	0	36 542
Net assets	949 916	-920	1 759 171	301 463	16 155	0	0	377 084
Group share of net assets	**189 983**	**-239**	**492 567**	**96 468**	**5 978**	**0**	**0**	**188 542**
Fair value gain (loss) recognised in profit or loss	**56 963**	**10 308**	**-10 547**	**15 180**	**20 136**	**0**	**0**	**-12 398**

31 December 2023	**Ownership % held by Group**							
in thousands of CZK	**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 at 31 December		Non-controlling interests/voting interest at 31 December	
		2024	2023	2024	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 CZ 78, s.r.o., člen koncernu	Czech Republic	50 %	100 %	50 %	0 %
Accolade CZ 88, s.r.o., člen koncernu	Czech Republic	50 %	0 %	50 %	0 %
Accolade PL XVIII 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 %
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	100 %	60 %	0 %	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	0 %	63 %	0 %	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	0 %	70 %	0 %	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 %

For the period ended 31 December 2024, dividends of EUR 3 500 thousand were paid to non-controlling interests. (31 December 2023: CZK 0 thousand).

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

31 December 2024	Ownership% held by NCI							
in thousands of CZK	28 %	29 %	30 %	35 %	37 %	40 %	45 %	50 %
Current assets	51 871	1 389	204 308	18 206	183 126	92 413	4 469	88 353
Non-current assets	323 863	161 590	2 054 190	477 870	2 631 234	2 091 010	1 194 510	2 445 907
Current liabilities	-200 376	-119 961	-427 982	-107 981	-343 421	-37 075	-515	-132 365
Non-current liabilities	-179 929	-31 716	-1 808 532	-397 233	-2 459 721	-1 931 609	-670 885	-2 294 194
Accumulated non-controlling interests	**-1 280**	**3 278**	**6 595**	**-3 198**	**4 151**	**85 896**	**237 411**	**53 851**
Revenues	7	10 140	83 431	13 004	322 590	80 791	9	142 953
Cost of revenues	-1 984	-766	-58 716	-4 975	-232 656	-61 707	-5 143	-74 089
Gross profit	**-1 977**	**9 374**	**24 715**	**8 029**	**89 934**	**19 084**	**-5 134**	**68 864**
Depreciation and amortization	0	-3 306	-20 922	-7 634	-36 172	-28 618	0	-54 712
Other income/expense	-498	-1 234	-3 450	-1 004	-4 041	1 405	-2 262	-5 349
Profit from operations	**-2 475**	**4 834**	**343**	**-609**	**49 721**	**-8 129**	**-7 396**	**8 803**
Financial income	5 525	136	129 350	1	85 550	115 126	101 845	86 482
Financial expense	-8 687	-13 064	-173 743	-43 891	-163 563	-156 993	-82 473	-154 697
Profit before tax	**-5 637**	**-8 094**	**-44 050**	**-44 499**	**-28 292**	**-49 996**	**11 976**	**-59 412**
Income taxes	-146	778	694	-12 438	1 146	626	0	6 619
Profit for the period after tax	**-5 783**	**-7 316**	**-43 356**	**-56 937**	**-27 146**	**-49 370**	**11 976**	**-52 793**
Profit/(loss) allocated to NCI	-1 619	-2 122	-13 007	-19 928	-10 048	-19 748	5 389	-26 397
Other comprehensive income allocated to NCI	277	-1 033	-267	442	180	1 277	1 071	3 034
Total comprehensive income allocated to NCI	**-1 342**	**-3 155**	**-13 274**	**-19 486**	**-9 868**	**-18 471**	**6 460**	**-23 363**
Dividends paid to non-controlling interests	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**-3 500**
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	115 876	0	157 594	0	-98 474	50 370	0	119 392
Net cash flow	**115 876**	**0**	**157 594**	**0**	**-98 474**	**50 370**	**0**	**119 392**

31 December 2023	Ownership% held by NCI						
in thousands of CZK	**29 %**	**30 %**	**35 %**	**37 %**	**40 %**	**45 %**	**50 %**
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 31 December 2024 is summarised below:

In thousands of CZK	31 December 2024 (before re-evaluation)	Change of fair value	31 December 2024
Investment property	15 177 559	897 120	16 074 679
Equity-accounted associates	893 658	79 642	973 300
Financial investments at fair value through profit and loss	3 123 335	-253	3 123 082
Total	**19 194 552**	**976 509**	**20 171 061**

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:

In thousands of CZK	**Number of stocks as at 31 December 2024**	**Fair value as at 31 December 2024**	**Number of stocks as at 31 December 2023**	**Fair value as at 31 December 2023**
Investment stocks – Class A	1 929	603 028	1 929	556 657
Investment stocks – Class B	560	2 504 126	82	628 547
Total	**2 489**	**3 107 154**	**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	**31 December 2024**	**31 December 2023**
Income Tax payable	20 097	31 549
Other tax payables	-3 871	5 477
Employee related liabilities	36 536	33 774
Total other current liabilities	**52 762**	**70 800**

32. PROVISIONS

In thousands of CZK	**31 December 2023**	**Creation of provision**	**Reversal of provision**	**31 December 2024**
Other	18 155	0	0	18 155
Total	**18 155**	**0**	**0**	**18 155**

In thousands of CZK	**31 December 2022**	**Creation of provision**	**Reversal of provision**	**31 December 2023**
Other	138 498		120 343	18 155
Total	**138 498**	**0**	**120 343**	**18 155**

As at 31 December 2024 the Group reported provision for the elimination of ecological burden in Vestec area in the amount of CZK 18 155 thousand. The Group plans to start works to remove the ecological burden at the end of 2026, when the reserve should be gradually used, as the lease agreements on the site will likely be terminated during 2026. The Project Planning Permit is currently being processed and a submission to the building authority is being prepared.

33. GOVERNMENT GRANTS

In 2024, the Group received subsidies from the State Transport Infrastructure Fund in the amount of CZK 3 509 thousand (in 2023: CZK 3 878 thousand) for the purpose of protecting airport traffic from illegal acts. In particular, a Ionscan X-ray machines, HI-scan, WTMD Ceia walk-through metal detectors, portable thermal imaging equipment were procured.

34. SHARE CAPITAL

	Number of shares		In thousands of CZK	
Shares	**31 December 2024**	**31 December 2023**	**31 December 2024**	**31 December 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 31 December 2024 and 31 December 2023, respectively. The Group has a reserve fund amounted to CZK 664 thousand (31 December 2023: CZK 1 170 thousand), 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:

In thousands of CZK	Profit (+) or loss (-) impact		Receivables (+) / Payables (-) to Related parties	
Related party	**2024 Revenues/Costs**	**2023 Revenues/Costs**	**31 December 2024**	**31 December 2023**
Executives	-11 071	353	5	67
Associates	93 936	129 449	1 095	4 407
Affiliates	16 488	9 106	212	1 491
Other related parties	583 068	276 333	70 583	317 081
Total	**682 421**	**415 242**	**71 895**	**323 046**

Outstanding balances of loans received from related parties:

In thousands of CZK		Outstanding loan from Related parties including accrued interests	
Related party	**Interest rate**	**31 December 2024**	**31 December 2023**
Shareholders	7%	0	0
Shareholders	8%	52 413	155 483
Other related parties	7%	11 363	17 190
Other related parties	8%	1 118 021	3 867 648
Total		**1 181 797**	**4 040 322**

Outstanding balances of loans provided to related parties:

In thousands of CZK		Outstanding loan to Related parties including accrued interests	
Related party	**Interest rate**	**31 December 2024**	**31 December 2023**
Shareholders	7%	0	0
Shareholders	8%	640	0
Other related party	7%	703	593
Other related party	8%	93 578	159 784
Associates	7%	0	169 814
Associates	8%	1 071 690	817 072
Affiliates	7%	7 411	6 650
Affiliates	8%	194 568	169 003
Total		**1 368 590**	**1 322 916**

There have been no material changes to the Group's related party transactions during the period ended 31 December 2023 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 LIABILITES

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 Portfolio I, s.r.o.	PPF Banka, 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 XIX, s.r.o., člen koncernu	Wacker-Chemie, s.r.o.	Commercial relations
Accolade CZ XIX, s.r.o., člen koncernu	UniCredit Bank Czech Republic and Slovakia, a.s.	Financial guarantee contracts
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 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 78, s.r.o., člen koncernu	Česká spořitelna, a.s.	Financial guarantee contracts
Accolade CZ 83, s.r.o., člen koncernu	Panattoni Czech Republic Development s.r.o	Commercial relations
Accolade, s.r.o.	Various entities	Commercial relations
Industrial Center CR 2 s.r.o.	Banka CREDITAS a.s.	Financial guarantee contracts
LETIŠTĚ BRNO a.s.	Raiffeisenbank a.s.	Financial guarantee contracts
Accolade FinCo Czech 1, s.r.o.	J&T Banka, a.s.	Financial guarantee contracts
Accolade Finance CZ, s.r.o., člen koncernu	Various entities	Commercial relations
Accolade Finance Cheb, s.r.o., člen koncernu	Various entities	Commercial relations
Accolade Finance Okrouhlá, s.r.o., člen koncernu	Various entities	Commercial relations
Accolade PL XXXV sp. z o.o.	PPF banka a.s.	Financial guarantee contracts
Accolade PL XXXVI sp. z o.o.	Santander Bank Polska S.A.	Financial guarantee contracts
Accolade SK III, s.r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.	Financial guarantee contracts

37. PLEDGES

As at the date of these Financial Statements the assets in the following companies are pledged:

Company name	Pledge in favour of
Accolade Holding, a.s.	Banka CREDITAS a.s.
Accolade CZ XVIII, s.r.o., člen koncernu	Česká spořitelna, a.s.
Accolade CZ XIX, s.r.o., člen koncernu	UniCredit Bank Czech Republic and Slovakia, a.s.
Accolade CZ XXVII, s.r.o., člen koncernu	Commercial relations
Accolade CZ XXXIII, s.r.o., člen koncernu	Česká spořitelna, a.s.
Accolade CZ XXXV, s.r.o., člen koncernu	MONETA Money Bank, a.s.
Accolade CZ XXXVIII, s.r.o., člen koncernu	MONETA Money Bank, a.s.
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 61, s.r.o., člen koncernu	Komerční banka, a.s.
Accolade CZ 63, s.r.o., člen koncernu	MONETA Money Bank, 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 78, s.r.o., člen koncernu	Česká spořitelna, a.s.
Accolade CZ 88, s.r.o., člen koncernu	Česká spořitelna, a.s.
Industrial Center CR 2 s.r.o.	Banka CREDITAS a.s.
LETIŠTĚ BRNO a.s.	Raiffeisenbank a.s.
Brno Airport Park, a.s.	Raiffeisenbank a.s.
Accolade Portfolio I, s.r.o., člen koncernu	PPF Banka, a.s.
SPV red, s. r. o.	MONETA Money Bank, a.s.
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 XXII sp. z o.o.	BNP Paribas Bank Polska S.A.
Accolade PL XXVI Sp. z o.o.	mBank S.A.
Accolade PL XXIX sp. z o.o.	Bank Pekao 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 PL 42 sp. z o.o.	Alior Bank S.A.
Accolade PL 44 sp. z o.o.	Bank Pekao S.A.
Accolade SK III, s.r.o.	UniCredit Bank Czech Republic and Slovakia, a.s.
ACCOLADE VITO, S.L.	Alteralia Real Estate Debt, FIL

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.

Financial Covenants

Group Accolade Holding has set of financial policies to control and manage financial risks.

Based on the Consolidated Financial Statements as of 31 December 2024, Group Accolade Holding is focused on key financial metrics including LTV, Net Secured & structurally superior indebtness to Value, and Equity to Total Assets. Only for the purpose of the calculation of covenants, the Group has made a revaluation of Investment Property under Development to its fair value as of 31 December 2024 and as of 31 December 2023.

Financial Covenant LTV (Loan to Value) was 59,45% as of 31 December 2024, compared to 56,64% in the end of year 2023, against maximum covenant ratio of 65%. Financial Covenant Net secured & structurally superior indebtness to Value stood at 43,43% as of 31 December 2024 compared to 42,86% in the end of year 2023, against maximum covenant ration 47,5%. Equity vs Total Assets ratio was 36,23% as at 31 December 2024, compared to 36,46% in the end of year 2023 against a minimum covenant ratio of 30%.

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:

31 December 2024 (*in thousands of CZK*)	**CZK**	**EUR**	**Other**
Trade and other receivables	143 430	1 383 129	0
Non-Current assets	**143 430**	**1 383 129**	**0**
Trade and other receivables	123 464	282 401	88 038
Cash and cash equivalents	83 585	869 903	105 432
Current assets	**207 049**	**1 152 304**	**193 470**
Loans and borrowings	3 644 620	14 462 247	0
Trade and other payables	15 954	3 688 017	169 494
Other financial liabilities	761 382	0	2 282
Non-current liabilities	**4 421 956**	**18 150 264**	**171 776**
Trade and other payables	619 024	3 115 043	0
Loans and borrowings	135 257	979 478	60 719
Other financial liabilities	62 897	40 876	-5 160
Current liabilities	**817 178**	**4 135 397**	**55 559**
Total 31 December 2024	**-4 888 655**	**-19 750 228**	**-33 865**

31 December 2023 (*in thousands of CZK*)	**CZK**	**EUR**	**Other**
Trade and other receivables	1 090 238	399 033	7 363
Non-Current assets	**1 090 238**	**399 033**	**7 363**
Trade and other receivables	235 846	531 032	34 690
Cash and cash equivalents	148 212	569 652	33 575
Current assets	**384 058**	**1 100 684**	**68 265**
Loans from the third parties	1 495 225	1 007 982	−141
Trade and other payables	943 696	13 556 877	0
Other non-current liabilities	830 411	0	0
Non-current liabilities	**3 269 332**	**14 564 859**	**−141**
Trade and other payables	547 103	1 503 479	46 991
Loans from the third parties	324 979	1 702 145	0
Other current liabilities	79 170	42 732	−1 091
Current liabilities	**951 252**	**3 248 356**	**45 900**
Total 31 December 2023	**−2 746 288**	**−16 313 498**	**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 year ended 31 December (*in thousands of CZK*):

Currency	**% change**	**31 December 2024**	**31 December 2023**
EUR	+/- 5.0%	+/-24 870 474	+/- 20 160 857
USD	+/- 5.0%	+/- 717	+/- 318
PLN	+/- 5.0%	+/-10 148	+/- 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 31 December 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:

31 December 2024 *In thousands of CZK*	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings	706 398	3 028 376	14 708 128	3 398 031	21 840 934
Other financial liabilities	20 976	77 637	177 922	585 742	862 277
Trade and other payables	685 596	489 858	3 873 465	0	5 048 919
Total	**1 412 969**	**3 595 872**	**18 759 515**	**3 983 774**	**27 752 129**

31 December 2023 *In thousands of CZK*	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest-bearing loans and borrowings	657 386	1 369 737	11 413 226	3 087 348	16 527 697
Other financial liabilities	25 639	95 172	125 380	705 031	951 222
Trade and other payables	721 696	1 418 886	2 460 057	0	4 600 639
Total	**1 404 721**	**2 883 795**	**13 998 663**	**3 792 379**	**22 079 558**

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.

In thousands of CZK	31 December 2024	31 December 2023
Interest-bearing loans and borrowings	21 840 934	16 527 697
Trade and other payables	5 048 919	4 600 639
Less: cash and short – term deposits	1 058 919	751 439
Net debt	**25 830 934**	**20 376 897**
Equity (i.e.. Net assets)	12 278 761	10 684 748
Net debt and Net assets	**38 109 695**	**31 061 645**
Gearing ratio	**1,48**	**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 this purpose 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 as 31 December (CZK '000)		Change in fair value of designated hedging instruments as 31 December (CZK '000)	
			2024	2023	2024	2023
FX Forward	12 000	28 March 2024	0	18 354	-18 354	3 068
Cross Currency Swap - fix-to-fix	80 000	14 June 2029	-99 417	0	-99 417	0
Interest rate swap	9 033	31 March 2027	3 162	6 960	-3 798	−7 556
Interest rate swap	7 439	27 September 2028	-8 725	−9 163	438	−9 163
Interest rate swap	26 158	29 June 2029	289	0	289	0
Interest rate swap	8 546	31 October 2029	-2 505	0	-2 505	0
Interest rate swap	29 750	31 December 2029	-23 666	0	-23 666	0
Interest rate swap	14 460	14 February 2030	-7 041	0	-7 041	0
Interest rate swap	92 000	13 September 2030	-85 469	-81 281	-4 188	-81 281
Interest rate CAP	8 050	23 January 2029	1 467	4 009	-2 542	4 009

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

Derivative financial assets

In thousands of CZK	31 December 2024	31 December 2023
Interest rate derivatives - cash flow hedges	8 035	19 240
Forward foreign exchange contracts – cash flow hedges	0	18 354
Total derivative financial assets	**8 035**	**37 594**

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

31 December 2024 *In thousands of CZK*	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest rate derivatives	0	0	8 035	0	8 035
Forward foreign exchange contracts	0	0	0	0	0
Total	**0**	**0**	**8 035**	**0**	**8 035**

31 December 2023 *In thousands of CZK*	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
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

In thousands of CZK	31 December 2024	31 December 2023
Interest rate derivatives - cash flow hedges	130 521	90 443
Cross Currency Swap - fix-to-fix	99 417	0
Total derivative financial liabilities	**229 938**	**90 443**

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

31 December 2024 *In thousands of CZK*	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest rate derivatives	0	0	38 012	92 509	130 521
Cross Currency Swap - fix-to-fix			99 417	0	99 417
Total	**0**	**0**	**137 428**	**92 509**	**229 938**

31 December 2023 *In thousands of CZK*	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Interest rate derivatives	0	0	9 163	81 281	90 443
Cross Currency Swap - fix-to-fix	0	0	0	0	0
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 December 31, 2024, key management comprised of 10 people (2023: 7).

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

In thousands of CZK	31 December 2024	31 December 2023
Salaries and short-term employee benefits	18 782	13 116
Total	**18 782**	**13 116**

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:

In thousands of CZK	31 December 2024	31 December 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	31 December 2024	31 December 2023
Development	71	32
Airport	217	217
General and administrative	71	66
Total	**359**	**315**

Employee benefit expenses:

In thousands of CZK	31 December 2024	31 December 2023
Wages and salaries	265 550	220 784
Social security and health insurance	80 528	66 948
Social cost	9 052	6 268
Other	1 753	1 116
Total	**356 883**	**295 116**

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 if 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.

Companies established in 2025 with 100% ownership of Accolade Holding a.s.:

Company name	Establishment date	Country
Accolade CZ 96, s.r.o.	04.02.2025	Czech Republic
Accolade Finco Czech 2, s.r.o.	06.02.2025	Czech Republic

The company Accolade CZ 96, s.r.o. is prepared to be deconsolidated from the consolidation group Accolade Holding, a.s., with Milan Kratina and Zdeněk Šoustal remaining the actual owners of this company.

The Accolade Group, through Accolade Finco Czech 2, s.r.o., issued five-year senior bonds on April 3, 2025 with a nominal value of CZK 1 875 000 thousand, secured by a financial guarantee from Accolade Holding, a.s. The nominal value of one bond is CZK 3 000 thousand and the interest rate is 6.937 % p.a. Interest is paid semi-annually. The bonds are traded on the regulated market of the Prague Stock Exchange.

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 consolidated Financial Statements.

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 31 December 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 31 December 2024 and of the outlook for the future development of its financial position, business activities and financial performance.

Milan Kratina Digitally signed by Milan Kratina Date: 2025.04.29 18:18:26 +02'00'	Ing. Zdeněk Šoustal Digitálně podepsal Ing. Zdeněk Šoustal Datum: 2025.04.29 19:45:20 +02'00'
....	....
Milan Kratina	Zdeněk Šoustal
Member of the Board, CEO	Member of the Board
Accolade Holding, a.s.	Accolade Holding, a.s.

Tel: +420 241 046 111
www.bdo.cz

BDO Audit s.r.o.
V Parku 2316/12
Prague 4
148 00

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Accolade Holding, a.s.

Opinion

We have audited the accompanying consolidated financial statements of Accolade Holding, a.s., with its headquarters at Sokolovská 394/17, Karlín, 186 00 Praha 8, the Czech Republic, IC (Registration Number) 286 45 065 (hereafter the Company), and its subsidiaries (hereafter the Group) prepared in accordance with IFRS as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 1 January 2024 to 31 December 2024 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. Details of the Group are presented in Note 1 of the consolidated financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the period from 1 January 2024 to 31 December 2024, in accordance with IFRS 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 consolidated 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.

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 consolidated financial statements and auditor’s report thereon. The Company’s Statutory Body is responsible for this other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge of the Company obtained from the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with the applicable laws and regulations, in particular, whether the other information complies with the laws and regulations in terms of formal requirements and procedures for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that

- the other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and

- the other information is prepared in compliance with the applicable laws and regulations.

In addition, our responsibility is to report, based on our knowledge and understanding of the Company obtained from the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Statutory and Supervisory Bodies for the consolidated financial statements

The Company's Statutory Body is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Statutory Body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Supervisory Body is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Body.

- Conclude on the appropriateness of the Statutory Body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Company's Statutory and Supervisory Bodies 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.

Prague, 29. 4. 2025

Audit firm:	Engagement Partner:
	Podepsal Ing. Jiří Sedláček DN: cn=Ing. Jiří Sedláček, c=CZ, o=BDO Audit s.r.o., ou=559, email=jiri.sedlacek@bdo.cz Datum: 2025.04.29 20:04:40 +02'00'
BDO Audit s. r. o.	Jiří Sedláček
Certificate No. 018	Certificate No. 2550

ACCOLADE HOLDING, A. S.

WWW.ACCOLADE.EU

CZECH REPUBLIC

Sokolovská 394/17

186 00 Prague 8

info@accolade.eu

+420 220 303 019

POLAND

Emilii Plater 53

00-113 Warsaw

poland@accolade.eu

+48 508 611 226

SPAIN

Avda. Aragón 30, piso 8
46021 Valencia

spain@accolade.eu