Accolade

CONSOLIDATED ANNUAL REPORT 2023

CONTENT

FOREWORD FROM THE CEO

Dear stakeholders,

As the CEO of Accolade, I am both privileged and inspired to reflect on our journey over the past year—a period defined by remarkable challenges and equally significant achievements. Amidst a landscape of global uncertainty, characterized by geopolitical shifts and pressing environmental concerns, our team at Accolade has navigated these complexities with an unwavering commitment to innovation, strategic growth, and a deepened focus on sustainable development. This past year was not only about our expansion into new countries but also about reinforcing our role in creating a resilient infrastructure that acts as the backbone of the European economy.

Our mission extends beyond mere growth; we aim to foster an environment where businesses can thrive, contributing positively to the planet and the communities we serve. At Accolade, we view ourselves as more than just a company—we are partners in progress, laying down the essential groundwork for businesses to expand and succeed. This holistic approach underlines our dedication to being a driving force behind a sustainable, economically vibrant future for Europe.

The integration of technology into our operations continues to be a key driver of our success, enhancing our efficiency and enabling us to make more informed decisions. Yet, as we grow, our core commitment to sustainability remains unwavering. We strive to ensure that our projects not only contribute to economic development but also adhere to the highest standards of environmental care.

I am deeply grateful to our team, investors, and partners for their unwavering support and trust in us. Together, we will continue to pursue opportunities that align with our values, driving forward with humility, innovation, and a commitment to making a difference. Thank you for your continued partnership as we embark on this journey towards a more sustainable and connected world.

Milan Kratina
CEO, Accolade

2023 HIGHLIGHTS

2023 GROWTH

Accolade made significant strides in terms of growth by the close of 2023, culminating in the completion of nearly 400,000 m^2 of construction. This expansion brought its portfolio to a total of 3.3 million m^2 valued at an impressive 3 billion EUR. Over the course of the year, Accolade showcased its operational prowess by successfully leasing or renewing leases on 550,000 m^2 of property.

Accolade has made notable additions in Spain, with the Park Valencia Picassent and BTS Burgos, home to global tenants such as the Danish furniture chain Jysk in Valencia and the Japanese tyre manufacturer Bridgestone in Burgos.

In the Netherlands, the launch of the Park Roermond in Venlo leased to American global companies CooperSurgical and GXO, aligning with Accolade's strategy to expand into key European logistics hubs.

In the Czech Republic, the development of the Park Ostrov North is also noteworthy, with the first building fully leased and a planned second building covering 100,000 m^2, catering to leading industry players.

The expansion also continues in Poland with the Ruda Slaska Industrial Park in the Upper Silesia region, adding 67,000 m^2 of industrial space near the Czech border.

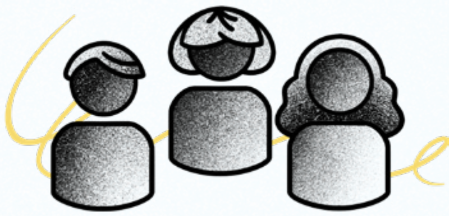
2023 HIGHLIGHTS

NEW MARKETS
Accolade has broadened its European presence by entering new markets in Croatia and Hungary, marking significant expansions into strategically important countries. This move underscores the group's ambition to extend its reach and leverage opportunities in developing industrial zones across these regions.

ESG STRATEGY
A key achievement for Accolade in 2023 was the significant enhancement of our Environmental, Social, and Governance (ESG) strategy. This year, we focused on embedding sustainability more deeply into our operations and decision-making processes. Through specific initiatives and practices, we are showcasing our commitment to not just attaining business excellence, but also making a positive contribution to society and the environment.

GREEN FINANCE FRAMEWORK
Accolade Group has successfully developed its own Green Finance Framework, designed in collaboration with top financial experts, banks, and advisors. This comprehensive set of guidelines outlines the sustainable practices and criteria that Accolade commits to in the development of its funded projects. The Framework focuses on adherence to EU taxonomy and achieving environmental certification for buildings, ensuring that sustainability criteria are met through recognized standards.

GREEN LOANS
Accolade has obtained high-value loans totaling nearly 400 million EUR for its two construction projects. These projects stand out with their expansive leasable area of over 265,000 m^2, demonstrating Accolade's ability to support large-scale industrial ventures. Importantly, both financing agreements were conducted with a strong emphasis on Environmental, Social, and Governance (ESG) elements, adhering to the EU Taxonomy.



NEW KEY MANAGEMENT ROLES
We were proud to announce the appointment of two new key management roles: Jitka Bortlíčková as Group Legal Counsel and Joanna Sinkiewicz as Group Commercial Director. These strategic appointments not only contribute to a balanced and dynamic leadership team but also reflect our commitment to an inclusive workplace.

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 from 26 March 2018

A law graduate from Brno, Kratina founded Accolade Group in 2011, building it from scratch into a modern industrial facility powerhouse, serving the e-commerce, manufacturing, and logistics sectors. In 2014, he co-launched the Accolade Industrial Fund, now boasting over 3,000 investors. Under Kratina's leadership, Accolade has emerged as a dominant player in Europe's industrial infrastructure, expanding its presence from the Czech Republic—home to the world's most eco-friendly warehouse in Cheb—to Poland, Slovakia, Spain, Germany, Netherlands, and Croatia. Milan Kratina is currently a 50% shareholder of Accolade Holding, a. s.

CZ

ZDENĚK ŠOUSTAL

Member of the board of directors from 30 January 2019

Šoustal was the first to recognize the potential of investing in industrial infrastructure and supported Milan Kratina in both a financial and personal capacity in founding his own business. Thanks to his entrepreneurial experience he became the main driving force behind the growth of the whole group, alongside Kratina. Currently he is involved in strategic management and communication with key partners. Zdeněk Šoustal is a 50% shareholder of Accolade Holding, a. s.

MANAGEMENT

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 on-key building from A to Z.

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 under the lead of Tomáš in perfect condition.

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 Fund, to support the growth of modern industry in Europe.

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

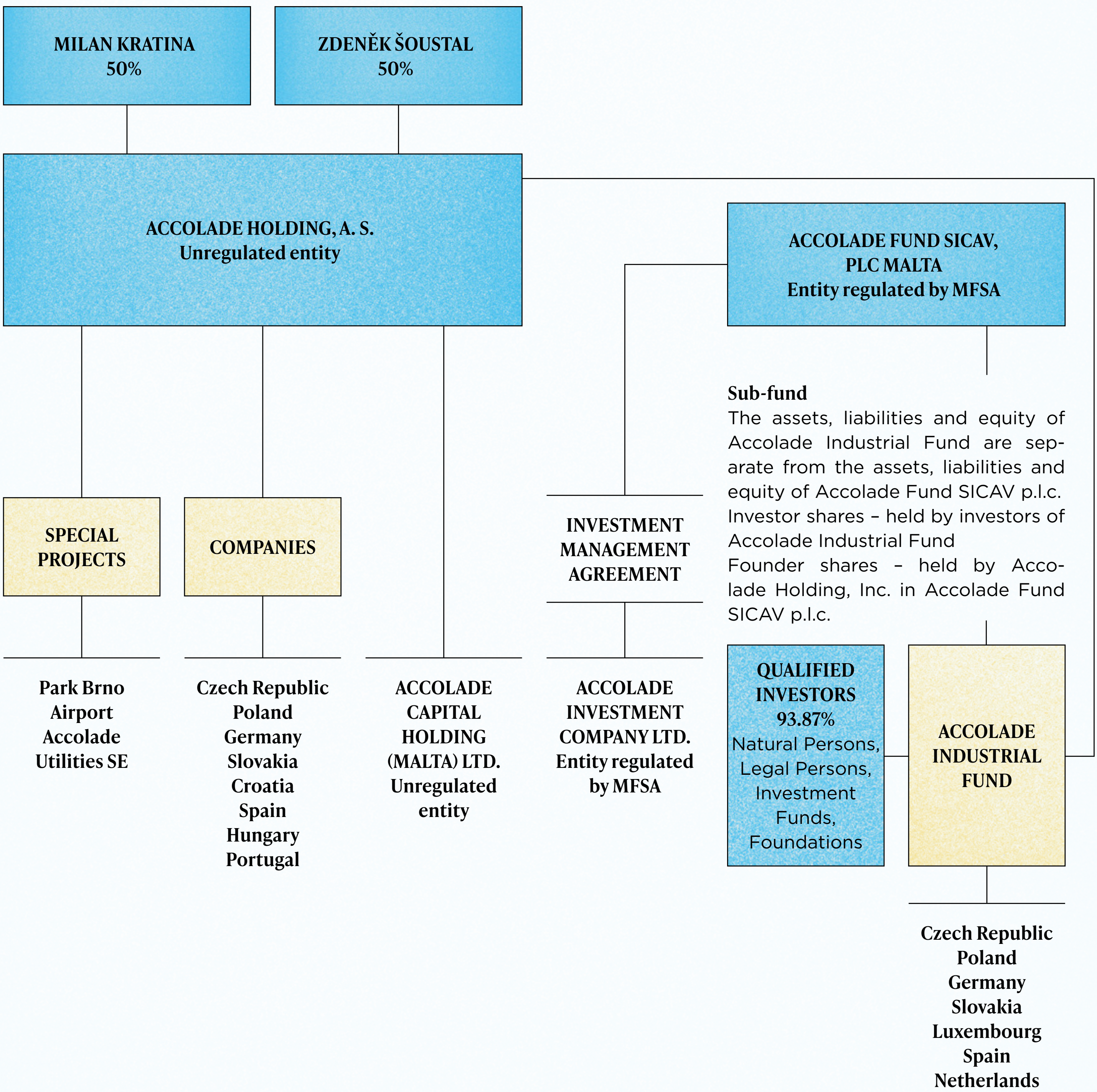
JOANNA SINKIEWICZ

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.

ORGANIGRAM

Simplified Company Structure (Full company structure in financial statement part)



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.

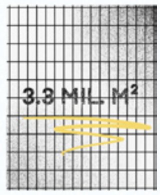
Accolade has built a portfolio of commercial properties with an area of more than 3.1 million m², which it leases to first-class tenants worldwide. We are planning on staying on the growth path in the most sustainable way possible while also creating societal benefits.

Accolade is as a company focused on creating environmentally conscious portfolios in the real estate industry with green building certifications as a standard, such as BREEAM or DGNB. These certifications evaluate various aspects, including energy use, health and wellbeing, 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 longstanding industrial tradition, while meeting the highest environmental standards. By 2023, over 866,872 m² of GLA was delivered on brownfield sites revitalized by Accolade.

ACCOLADE IN SHORT

57 INDUSTRIAL PARKS
IN 8 COUNTRIES

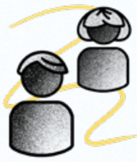


3.1 MIL. M²
of managed portfolio

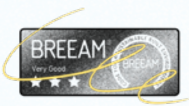
121 BUILDINGS
IN 57 INDUSTRIAL
PARKS

3 BIL. €
in asset value

16 REVITALIZED
INDUSTRIAL AREAS
866,872 m² of revitalized
brownfield sites
– 33% of our portfolio



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

184 TENANTS
(light manufacturing,
logistics and e-commerce)

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

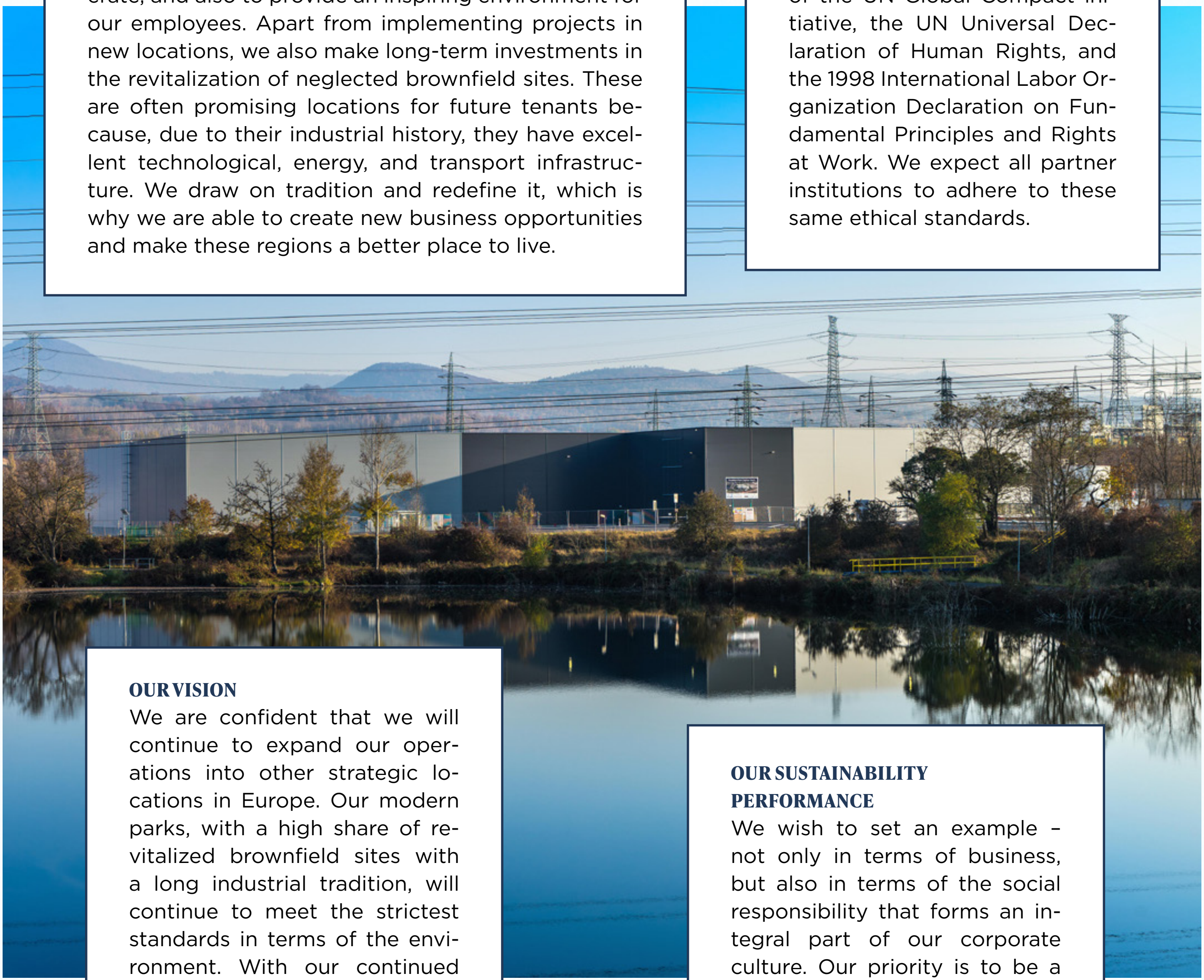
OUR MISSION, VALUES AND VISION

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 PERFORMANCE

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.

2011

Entered the Czech market

FOUNDED ACCOLADE

2013

FOUNDED ACCOLADE HOLDING, A. S.

First building in 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

Begin seeking BREEAM certification min. "Very Good" level

First brownfield site in Poland, Szczecin

Best of Realty, 3rd place for BWI building

2016

Acquisition of Brno Airport

Entered the German market
First park in Germany, Alsdorf

2017

Start of self-driving car polygon authorization process

CIJ Awards 2017, Best Industrial Zone for Park Cheb

2018

First facility with BREEAM "Excellent" certification

Entered the Spanish market

2019

Entered the Slovak market
First park in Slovakia, Košice

"Fastest growing company in the Czech Republic" – The Financial Times

1 mil. m² in Poland

2020

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

ESG

Launched the Accolade ESG Strategy 2027
Preparation of Green Financing Framework
Joined United Nations Global Compact

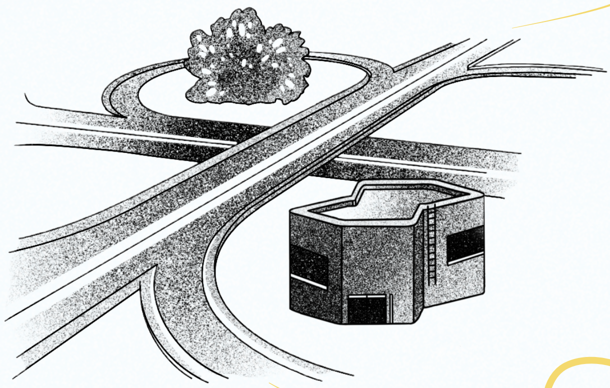
CEEQA in Rising Star Awards 2023 Category Business Leader 2022 award

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

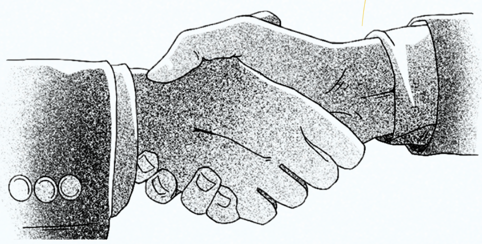
A good location has always been the key to our success. We carefully select locations that offer quality infrastructure and can boast a long industrial tradition. Our parks often replace old manufacturing sites that we have revitalized and given a new purpose.

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.

In 2017, LETIŠTĚ BRNO a.s. joined Accolade Group, marking a new era for the airport. Under Accolade's leadership, the airport successfully navigated two challenging COVID-affected seasons. This year, the airport processed the highest number of passengers in its history, totaling 686,867. The summer season was particularly successful, with nearly 550,000 passengers from June to September, an increase of almost 50% compared to the same period in 2022.

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. These cargo flights effectively support the airport's long-term strategy as a multifunctional complex for all modes of air transport. In 2023, the total cargo handled was 11,653 tonnes, a slight increase from 2022. The introduction of a scheduled DHL route in 2020 significantly impacted the cargo sector, helping the airport navigate a challenging COVID period. As a result, the volume in the cargo sector has almost tripled since 2021.

Park Brno Airport 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.

INDUSTRIAL REAL ESTATE FUND

The main objective of our industrial fund is the long-term appreciation of our investors‘ assets. It succeeds mainly thanks to a well-established conservative strategy and a very effectively diversified portfolio. At the same time, however, these investments create space for further industrial revolution and the opportunity to participate in the development of a sustainable future in Europe.

1

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.

2

PURCHASE OF FULLY RENTED BUILDINGS

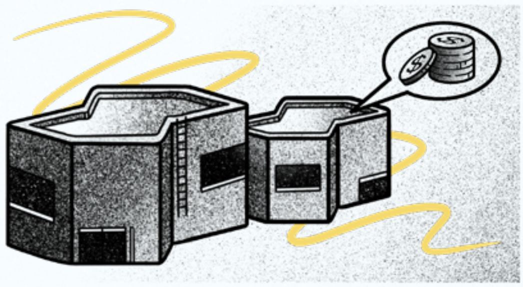
The Fund only invests in fully rented buildings with solvent tenants. The tenant portfolio consists of stable international companies, primarily in the fields of manufacturing, logistics, and e-commerce.

3

RENTAL PAYMENTS

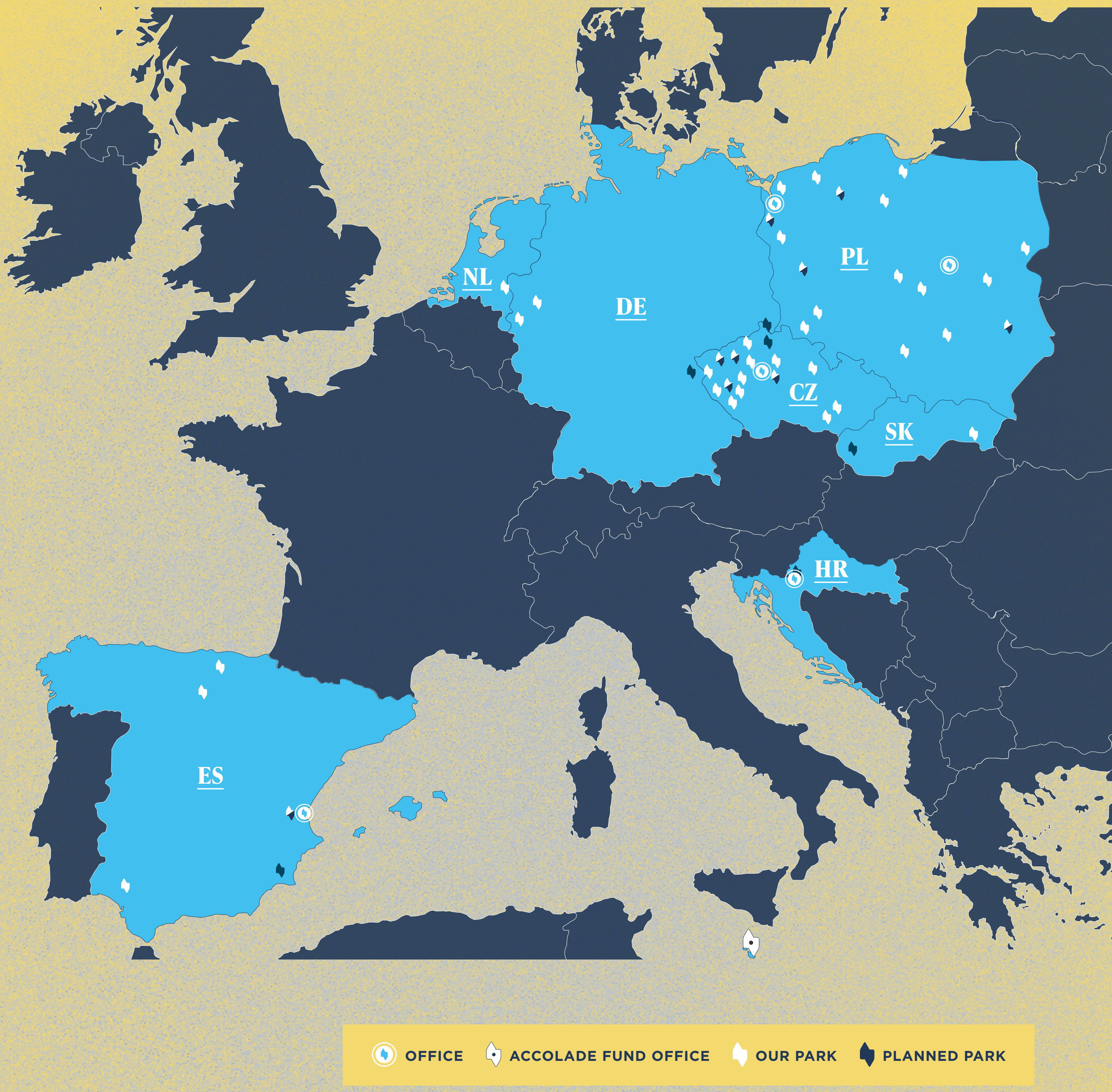
The Fund collects the rents, generating the revenue for the investors. The regular rent payment is always guaranteed by a bank guarantee, the parent company of the lessee, or a security deposit. The rent is indexed on an annual basis.

4



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 the brownfields
Modern environmentally friendly buildings	Supporting the region‘s economic and social growth	The highest technical standards of modern construction

ACCOLADE'S VALUE CHAIN

During each project, Accolade cooperates with a multitude of business partners, including banks, developers, architects, the general contractor responsible for the construction of the property and their subcontractors, consulting companies and local authorities. Emphasis is placed on the highest quality and an individual approach to each task, which is why we appreciate trusted partners, especially those with whom we have been working practically from the beginning.

Our value chain, as a provider of industrial and logistics real estate, can be described as a series of interconnected activities that contribute towards creating value for our stakeholders. The value chain includes the following stages:

PROPERTY DEVELOPMENT

This stage involves the acquisition of land and the design and construction of new properties. We identify and evaluate potential sites and work with our development partners to create high-quality and functional industrial and logistics properties.

SALE OF PROPERTIES TO ACCOLADE INDUSTRIAL FUND

Chosen projects are sold to Accolade Industrial Fund.

LEASING AND PROPERTY MANAGEMENT

This stage involves the leasing of properties to tenants and the management of properties on behalf of our customers. We provide a range of flexible solutions to our customers, including modern warehouse and industrial space, office space, and other support facilities.

OPERATIONS

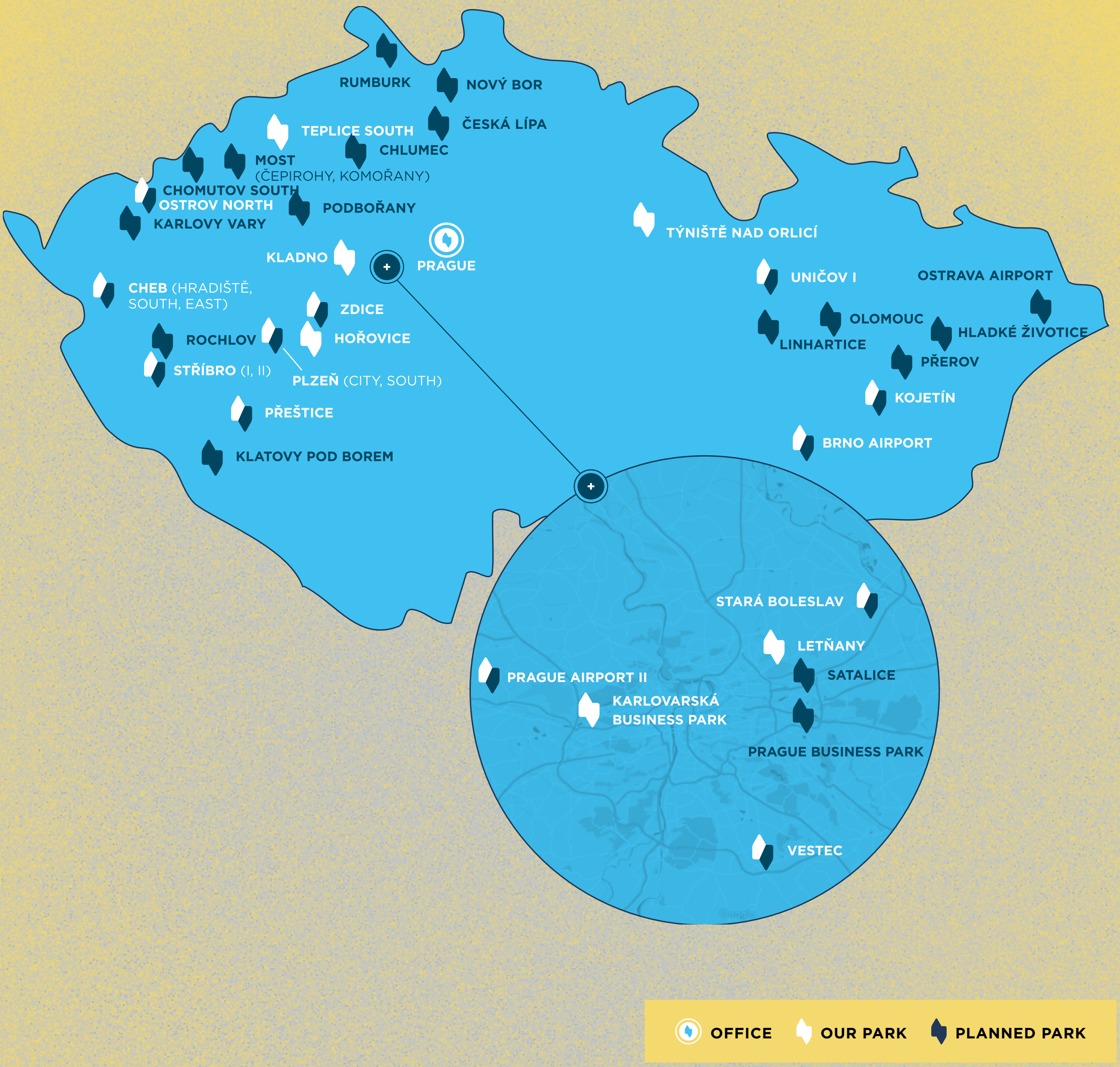
This stage involves the day-to-day running and maintenance of the properties, including managing energy and sustainability, security, and other critical services. We work closely with our tenants to ensure that their properties are operating smoothly and efficiently.

FINANCIAL MANAGEMENT

This stage involves the financial management of the properties, including the collection of rent, the management of taxes and other costs, and the optimization of cash flow. We use our financial expertise to maximize the value of our properties and generate strong returns for our stakeholders.

These stages are part of a continuous process that is designed to create value for our stakeholders, including our tenants, partners, and the wider community.

CZECH REPUBLIC



1,049,978 m²
total managed area

1,010,795 m²
completed & leased area

13,854 m²
completed & vacant area

0 m²
under construction speculatively

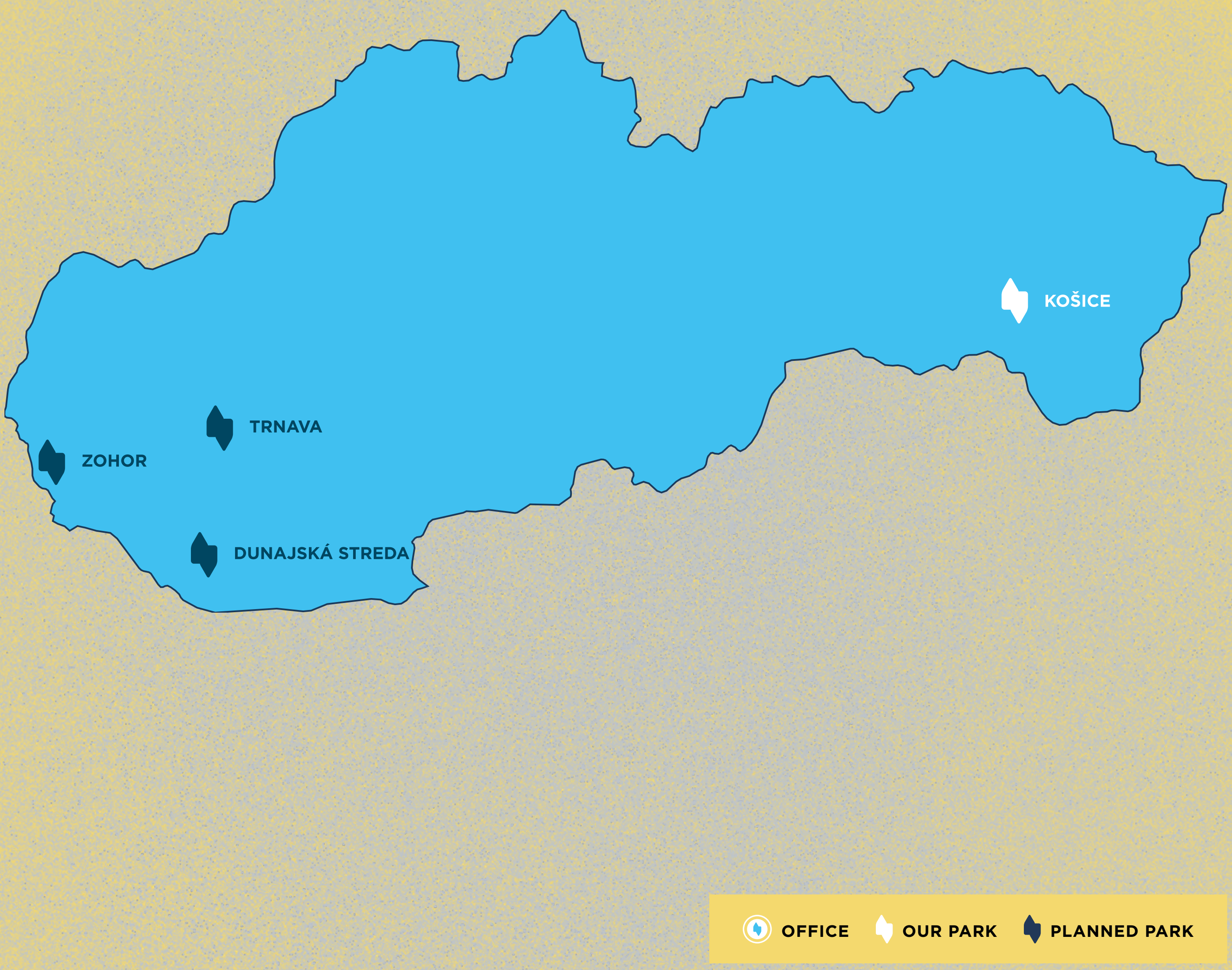
369,386 m²
under construction & leased

1,282,570 m²
future pipeline

POLAND

1,385,350 m² total managed area	162,781 m² completed & vacant area	111,936 m² under construction & leased
1,222,569 m² completed & leased area	42,635 m² under construction speculatively	743,403 m² future pipeline

SLOVAKIA



36,777 m² total managed area	1,100 m² completed & vacant area	0 m² under construction & leased
35,677 m² completed & leased area	0 m² under construction speculatively	445,912 m² future pipeline

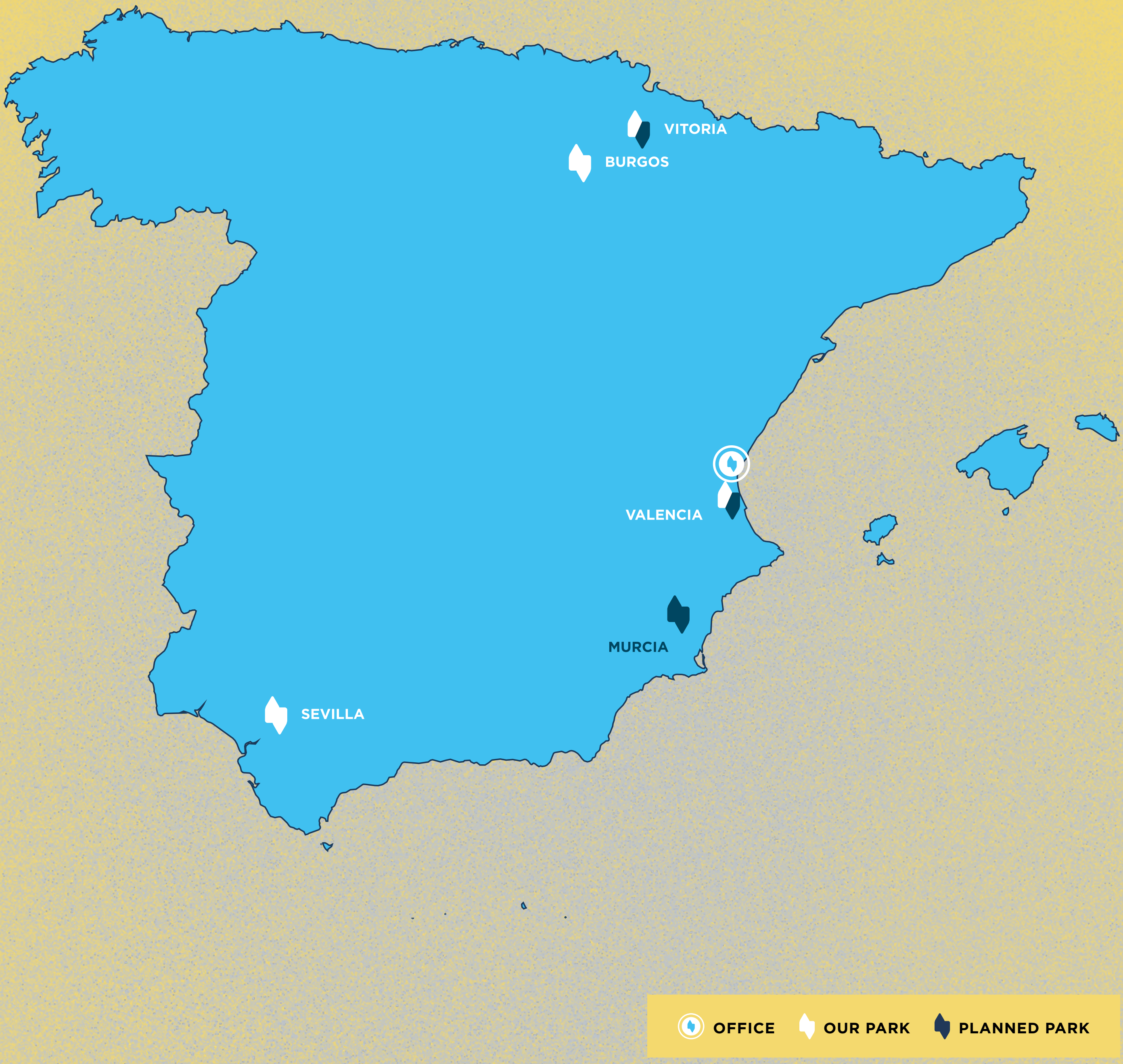
GERMANY

27,598 m² total managed area	0 m² completed & vacant area	0 m² under construction & leased
27,598 m² completed & leased area	0 m² under construction speculatively	42,018 m² future pipeline

NETHERLANDS

43,256 m² total managed area	0 m² completed & vacant area	0 m² under construction & leased
43,256 m² completed & leased area	0 m² under construction speculatively	0 m² future pipeline

SPAIN



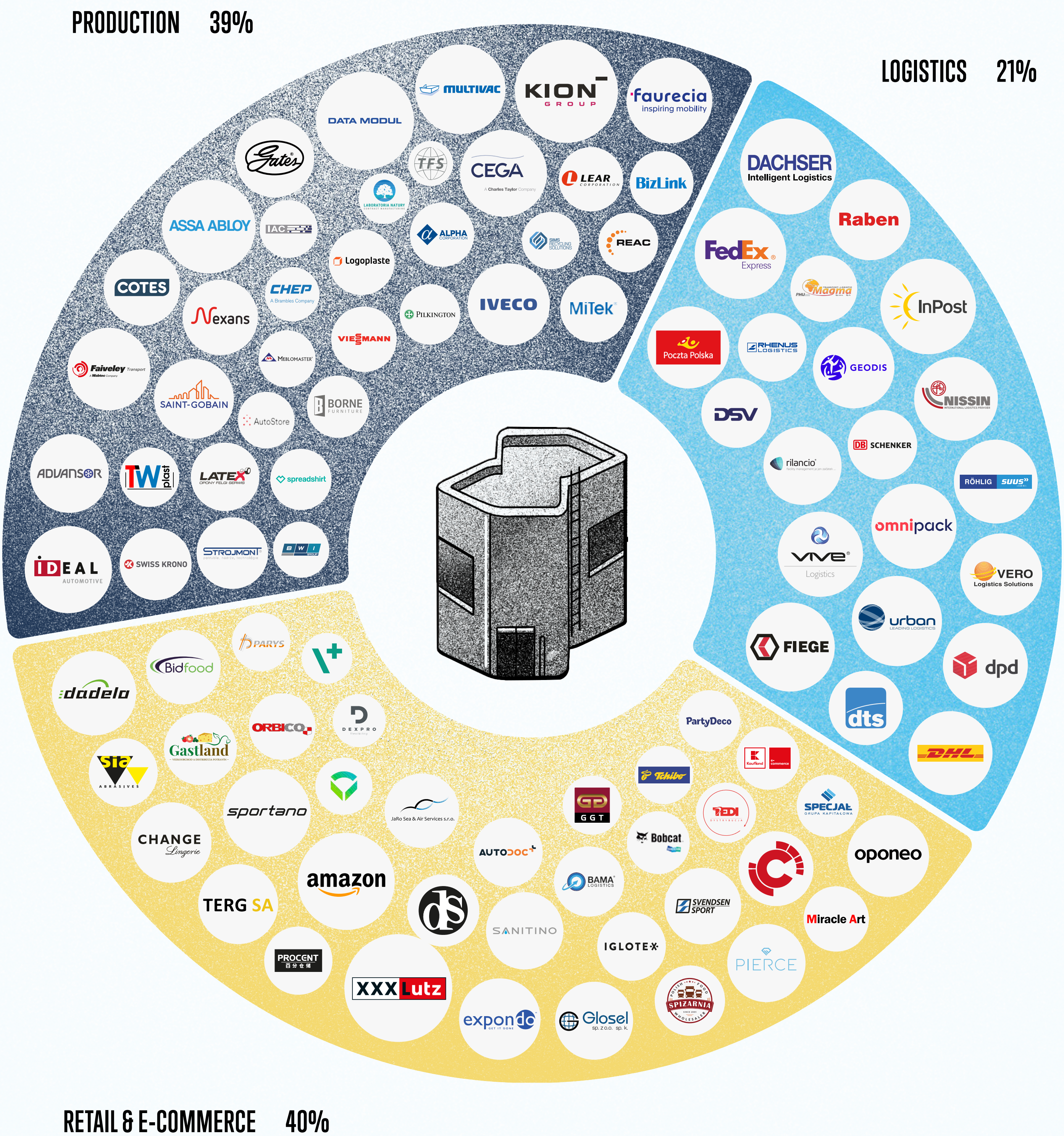
88,645 m² total managed area	17,190 m² completed & vacant area	0 m² under construction & leased
71,455 m² completed & leased area	0 m² under construction speculatively	101,965 m² future pipeline

CROATIA

0 m² total managed area	0 m² completed & vacant area	0 m² under construction & leased
0 m² completed & leased area	0 m² under construction speculatively	315,986 m² future pipeline

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.



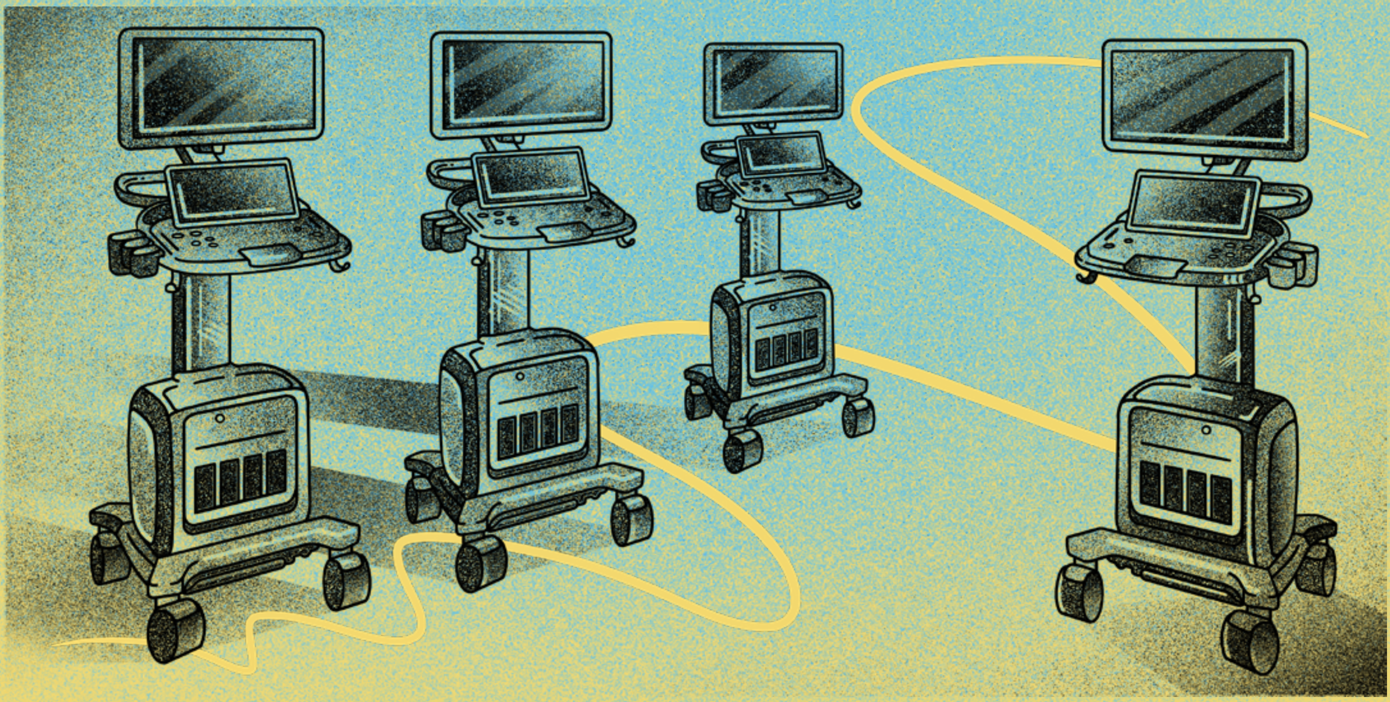
CASE STUDY: SIEMENS HEALTHINEERS

Our partnership with Siemens Healthineers, a leading med-tech company and a tenant at our Košice Airport Park in Slovakia, showcases the significant benefits of innovative solutions and strategic relocations for sustainability and efficiency.

Siemens Healthineers moved its manufacturing from Asia to the Košice Airport Park, a decision driven by the desire to lower its carbon footprint. The park's ideal location near an international airport and major transport routes to neighboring countries aligns perfectly with the company's strategy to primarily use ground transportation within Europe. This shift is expected to reduce CO2 emissions, exemplifying how trends towards localizing production and reducing a company's environmental impact converge to generate demand for space and labor for products made in Europe.

In Košice, Siemens Healthineers manufactures advanced ultrasound devices, acheiving a significant milestone of the production of 1,000 ultrasounds since the beginning of 2023. Ajay Gannerkote, President of the Ultrasound Division at Siemens Healthineers, reflects on the strategic advantage, "Ultrasound devices are part of a rapidly expanding sector. With our production centrally located in Europe, we can swiftly supply our ultrasound products to customers across the EMEA region."

The practical location of the Košice industrial park was crucial for Siemens Healthineers. The company aims to expand its existing Košice development team by adding dozens of positions in manufacturing, research, and administration. This expansion also contributes to the economic development of the region. The partnership between Accolade and Siemens Healthineers is testament to our mutual dedication to innovation, and environmental sustainability. This is demonstrated by the careful selection of this strategic location and our focus on lowering carbon emissions.



CASE STUDY: AMAZON

The partnership between Accolade, and the global e-commerce giant Amazon has led to the establishment of a state-of-the-art robotic distribution center in Kojetín, Czech Republic. Built on a brownfield site, this facility emerges as one of the nation's most sophisticated industrial buildings, celebrated for its extensive scale, environmental sustainability, and exceptional energy self-sufficiency.

With a total area exceeding 187,000 m^2 while occupying less than a third of this space for its footprint, the facility's design maximizes land use efficiency. It reaches over 27 meters tall at certain points, accommodating up to 24 million items. The building's sustainable design has earned it the highest BREEAM New Construction rating of "Outstanding", making it the largest industrial building in Czechia to achieve this level of sustainability certification.

Milan Kratina, CEO of the Accolade, commented on the project's impact: "Investing in the revitalization of bronwfield sites is our specialty. I am proud that we have once again managed to create a top-tier industrial zone on land with low ecological value. By connecting to local industrial traditions, Kojetín is set to become one of the centers of European online shopping. I believe we will contribute to further improving living standards in the area."

CASE STUDY: BRIDGESTONE

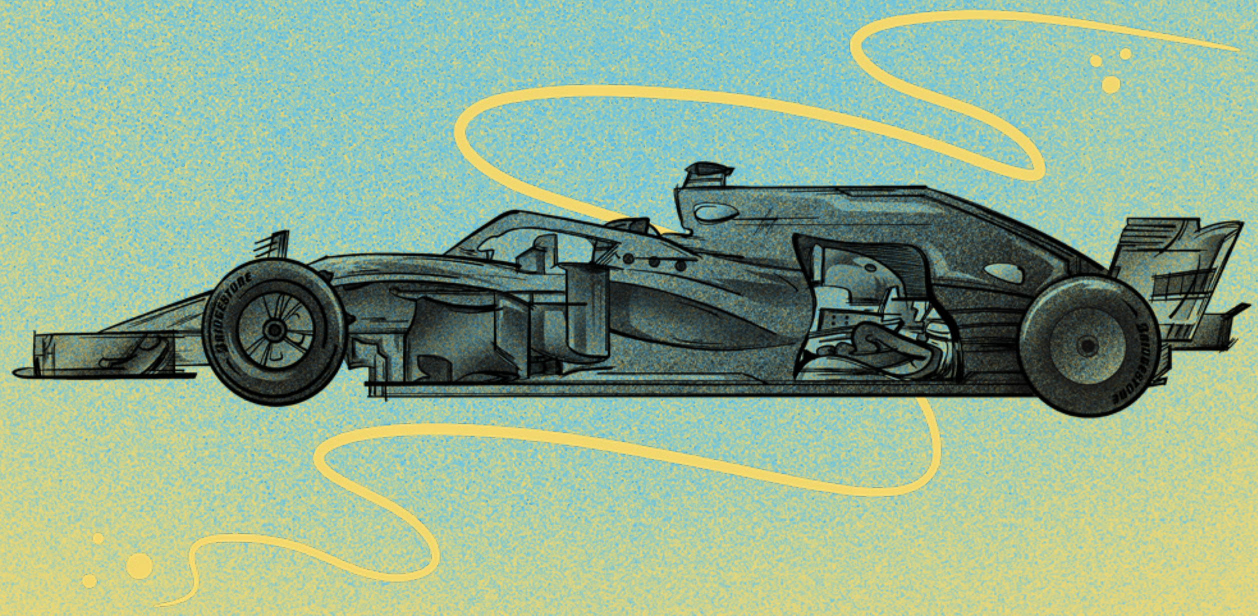
The partnership between Accolade and Bridgestone has culminated in the launch of an advanced European logistics hub in Burgos, Spain.

Founded in 1931 in Kurume, Fukuoka, Japan, Bridgestone has become the largest tyre manufacturer in Japan since 2006 and a significant supplier to the world of Formula 1. Recognizing the need to outsource logistics to bolster production capabilities, Bridgestone announced its strategic decision to enhance its global supply chain. This move aimed to streamline its operations and ensure the efficient distribution of its products to meet a growing demand across the European market.

Spanning 42,500 m² and with a capacity to store over 800,000 tyres, the facility marks a new paradigm in logistics infrastructure, designed with a sharp focus on automation and safety. The warehouse incorporates the latest in automated technology for tyre storage, adhering to the most stringent fire protection standards, ensuring utmost safety and operational excellence.

The choice of Burgos for this project was strategic, considering its strong industrial base yet noted scarcity in logistics infrastructure. This investment aims to address the growth needs of large international companies, bridging the gap in the logistics domain, and setting a benchmark for future developments in the region.

Milan Kratina, CEO of Accolade, highlights the importance of the Spanish market in our growth strategy, noting, "„The Spanish market has become a key focus in our strategic expansion, driven by our interest in regions known for their energy independence and valuable resources—qualities that Spain possesses in abundance. Our partnership with Bridgestone exemplifies our dedication to advancing innovation and fostering economic development through thoughtful, strategic collaborations."



SUSTAINABILITY REPORT

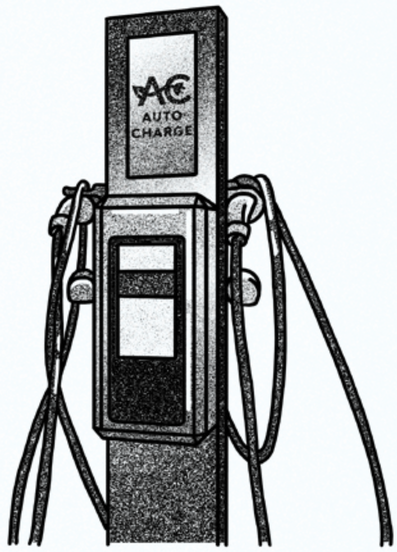
For any questions regarding this, our first non-financial report and its content, as well as for any references related to our sustainable development initiatives, please contact info@accolade.eu.

This is the first 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.

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. 2023 – 31. 12. 2023.

Accolade has not externally assured the content of this report. However, it considers the possibility of obtaining external assurance for Accolade's future reports. The report was published in 28. 06. 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.

STAKEHOLDERS	KEY REASONS AND WAYS IN WHICH WE ENGAGE WITH OUR STAKEHOLDERS
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

IDENTIFY ACTUAL AND POTENTIAL IMPACTS

- Consideration of both the positive and negative actual and potential ESG impacts identified in Step 1 relevant to Accolade Group

3

ASSESS THE SIGNIFICANCE OF THE IMPACTS

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.

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 RESULTS

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

ACCOLADE ESG STRATEGY

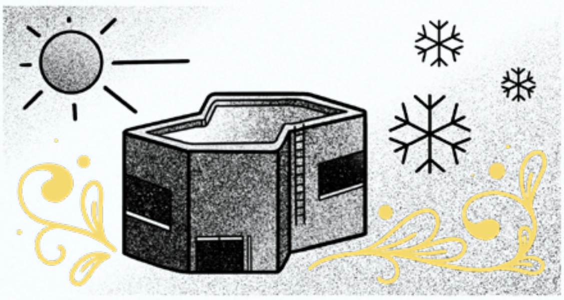
Running our business with respect for the environment and the world around us.

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.

Accolade's ESG strategy is centered around three pillars:

- Governance
- Environment
- and People & Prosperity

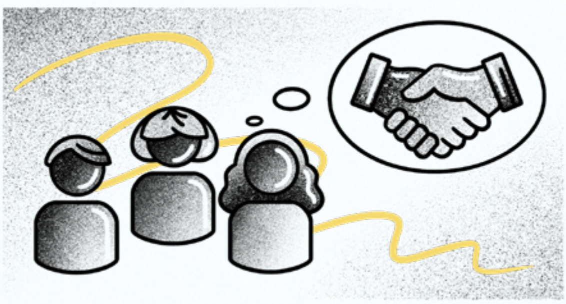
By focusing on material issues for each pillar, we strive to protect the environment and create positive impacts in society (including for our employees), while always being transparent and fair towards our stakeholders.



E

ENVIRONMENT

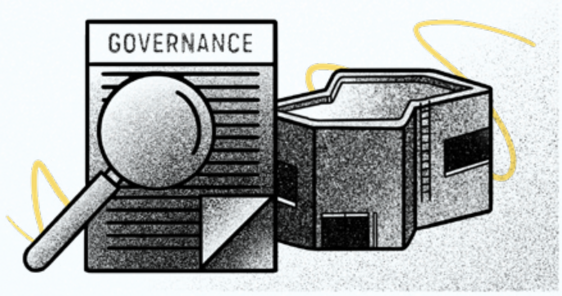
- Mitigating and adapting to climate change
- Using high-quality materials for our modern industrial parks
- Respecting biodiversity and ecosystems
- Responsibly handling of water resources



S

PEOPLE & PROSPERITY

- Care and respect for our employees
- Increasing economic value for society
- Supporting local communities



G

GOVERNANCE

- Conduct 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

LEGAL DEPARTMENT
Jitka Bortlíčková
Group Legal Director

COMMERCIAL DEPARTMENT
Joanna Sinkiewicz
Group Commercial Director

HR DEPARTMENT
Michaela Vlasáková
Group HR Director

BUSINESS DEVELOPMENT DEPARTMENT
Tomáš Hanáček
Head of Business Development

BOARD OF DIRECTORS

The 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 WORKING GROUP

Representatives of the departments

ESG COMMITTEE

- **CEO**
- **COO**
- **CFO**
- **Head of Development**
- **Head of Business Development**
- **ESG Manager**
- **Environmental: Energy Director**
- **Social: Operations & Administration**
- **Governance: Legal**

ESG COMITTEE

In the early part of 2020, Accolade's Board of Directors formed a ESG committee to oversee adherence to ESG principles. At the turn of 2022 and 2023, the ESG Committee's structure was enhanced and refined to more effectively supervise and achieve Accolade's sustainability goals.

The Committee is made up of Accolade's senior management, led by its CEO (Chairman of the ESG Committee), COO (Vice Chairman of the ESG Committee), CFO, Head of Development, Head of Business Development, and the individuals responsible for each ESG area – Environmental, Social, and Governance. The ESG Manager coordinates and synchronizes their activities.

The ESG working group, which covers all significant ESG issues and Accolade locations, is composed of representatives from the Development, Asset Management, Marketing, Finance, and Business Development departments, as well as representatives from each country within Accolade and the ESG Committee members.

THE ESG COMMITTEE'S ACTIVITIES

Accolade's ESG Committee supervises the process of recognizing, assessing, and ranking sustainability issues. It suggests policies and procedures related to crucial sustainability topics and manages the process of gathering sustainability data. The Committee compiles sustainability disclosures and ensures that the sustainability strategy aligns with Accolade's overall business strategy.

The Committee identifies ESG-related trends and issues that could influence Accolade's ability to generate long-term value for its stakeholders. It reviews, monitors, and reports on Accolade's performance regarding important sustainability issues.

The Committee reviews, monitors, and reports on Accolade's initiatives to prevent, mitigate, and manage sustainability-related risks that could negatively impact the company's business, operations, performance, or reputation.

CRIMINAL COMPLIANCE

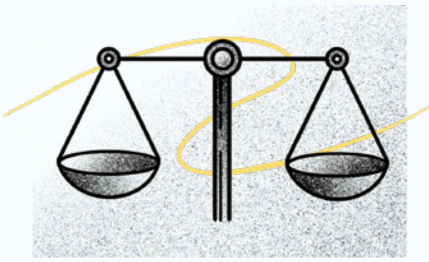
If you suspect that a crime was committed or unethical practices were carried out, do not hesitate to contact compliance@accolade.eu or ombudsman@accolade.eu.

We acknowledge our obligations to our business associates and staff, interacting with them on the principles of openness and equity. Our personnel maintain a high level of professionalism and adhere to set guidelines, ensuring their conduct is in line with the tenets of fairness and transparency. We have a comprehensive whistleblowing system, complete with anonymous help lines and complaint avenues, established across our organization. This underscores our dedication to ethical conduct and responsibility.

Accolade has put into action a unique Criminal Compliance Program, encompassing a Criminal Compliance Code and an Ethics Code. These documents outline the steps undertaken to deter criminal activities and unethical conduct. These guidelines are applicable to everyone associated with Accolade.

CRIMINAL COMPLIANCE PROGRAM (CCP)

The CCP is a robust framework established by Accolade, encompassing various measures and protocols, with the primary objective of preventing any criminal or unethical actions. Additionally, the CCP strives to mitigate any adverse effects that could potentially arise from such illicit activities. The implementation of the CCP is carried out through the Criminal Compliance Code and the Ethics Code.



CRIMINAL COMPLIANCE CODE (CCC)

The CCC outlines Accolade's obligations regarding criminal law. It establishes a robust internal corporate framework for preventing, identifying, and addressing potential criminal or unethical conduct, which is a key aspect of Accolade's corporate ethos.

The CCC is an internal directive that is fully binding for Accolade Group. It applies to all members of the statutory body, individuals in leadership roles within the group, those authorized to represent or act on behalf of the group, those responsible for management or operational activities at Accolade, and all individual employees or persons in similar roles.

The Code outlines the CCP's values, principles, goals, and rules. Specifically, it focuses on three main elements, though not exhaustive:

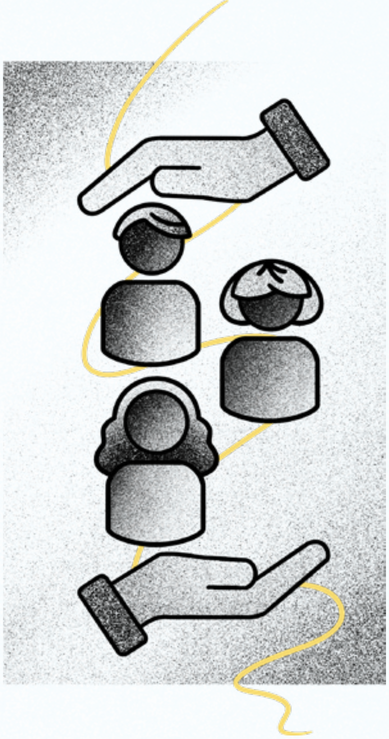
- Prevention
- Detection
- Reaction

CODE OF ETHICS

Accolade's Code of Ethics aims to establish fundamental ethical principles that apply to everyone associated with Accolade. These ethical principles serve as a crucial guide for everyone's behavior within Accolade. The Code of Ethics is a statement of the social principles that Accolade stands by. They are a set of internal rules that everyone within Accolade must follow. As part of the induction process, all employees are required to familiarize themselves with the Code of Ethics.

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
- And 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 EU TAXONOMY

We recognize the necessity to integrate 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.

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 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 MWh/ GWh (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	GOOD HEALTH AND WELL-BEING 3
7.2 Renovation of existing buildings	Renovations of existing buildings	Climate change adaptation	CLEAN WATER AND SANITATION 6
7.3 Installation, maintenance and repair of energy efficiency equipment	Acquisition and ownership of existing buildings		AFFORDABLE AND CLEAN ENERGY 7
7.5 Installation, maintenance and repair of instruments and devices for measuring and controlling energy performance of buildings	Energy efficiency measures and renewable energy		RESPONSIBLE CONSUMPTION AND PRODUCTION 12
7.7 Acquisition and ownership of buildings	Installation of renewable energy and equipment		CLIMATE ACTION 13
7.6 Installation, maintenance and repair of renewable energy technologies	Climate adaptation measures to currently owned buildings		LIFE ON LAND 15

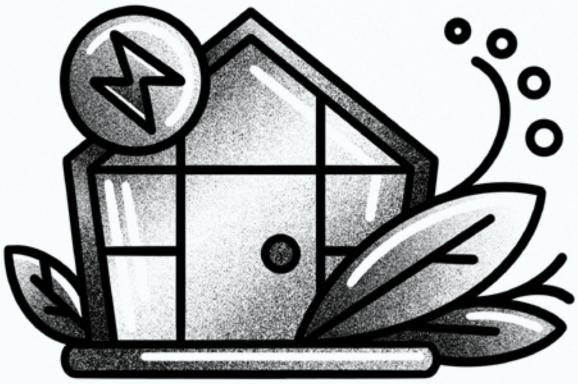
MITIGATING AND ADAPTING TO CLIMATE CHANGE

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 greenhouse gas emissions. The use of fossil fuels poses significant risks to the environment. Accolade recognizes that the actions taken in this regard can have a profound impact on energy efficiency and greenhouse gas emissions. By implementing efficient solutions and focusing on fuel shifts, our reliance on fossil fuels can be reduced, contributing to a more sustainable and safer future. Accolade acknowledges that prioritizing fossil-free energy sources aligns with global climate goals and is also a key element of being a competitive company. This approach not only benefits the environment, but also positively impacts other sectors for which we provide infrastructure, all in alignment with the EU's climate agenda.



ACTIONS

In 2022, we initiated technical studies to assess the roof capacity across our portfolio for photovoltaic (PV) installation. The objective was to precisely determine the potential for PV deployment. As part of our technical specifications, we incorporated a requirement for roof load capacity. Additionally, all new developments were designed to be PV-ready. While prioritizing green energy, we acknowledged that its procurement alone is not a definitive solution. Nevertheless, we viewed it as a catalyst for the energy market. Starting in 2023, we mandated the performance of Life Cycle Assessments (LCAs) in an appropriate form and scope for newly constructed facilities. This will allow us to comprehensively determine the source of emission sources from the construction process and materials used.

The overarching goal is to align Accolade's business model and strategy with the objectives of the Paris Agreement and the EU's climate neutrality target of 2050, as so at the turn of 2023 and of 2024, we began work on a comprehensive study that will result in the creation of Accolades' transition plan. The aim of the study is to evaluate energy-saving measures such as facade modifications, HVAC system enhancements, and on-site renewable energy utilization. The study aims to calculate the impact of these measures, develop a Net Zero Strategy, assess energy savings, determine CAPEX requirements, and analyze the influence on carbon emissions and energy intensity after the implementation of the recommended solutions.

MITIGATING AND ADAPTING TO CLIMATE CHANGE

ENERGY & GREENHOUSE GAS EMISSIONS

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. In the coming years, we want to expand the disclosed information to include the embodied carbon footprint of delivered properties.

	2023*
INSTALLED CAPACITY (PV) IN KWP	5,368
PV UNDER DEVELOPMENT IN KWP	13,940
ENERGY INTENSITY USE (GAS) KWH PER M^2	52.4
ENERGY INTENSITY USE (ELECTRICITY) KWH PER M^2	48.56
OPERATIONAL CARBON FOOTPRINT IN $KGCO_2E$ PER M^2	39.42

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

GHG EMISSIONS

SCOPE	ACTIVITY TYPE	GHG EMISSIONS 2023* [tCO_2e]
1	STATIONARY COMBUSTION	7.01
	MOBILE COMBUSTION	120.66
	TOTAL	127.67
2	PURCHASED ELECTRICITY (LOCATION BASED METHOD)	35.36
	PURCHASED HEAT	28.58
	TOTAL	63.95
3	BUSINESS TRAVEL	62.09
	EMPLOYEE COMMUTING	139.97
	DOWNSTREAM LEASED ASSETS	95,043.65
	TOTAL	95,245.7

*Disclaimer: Data includes properties owned and managed by Accolade Holding a.s.

MITIGATING AND ADAPTING TO CLIMATE CHANGE

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 nonphysical strategies to mitigate climate-related risks.

TARGETS

Prioritizing a safety-first approach, Accolade is dedicated to working with experts to develop a wide array of adaptive solutions. These solutions will be designed to mitigate the risks associated with water and heat. We firmly believe that implementing such solutions will align synergistically with other components of our ESG strategy, including the responsible management of water resources.

ACTIONS

Starting in 2023, in accordance with the EU Taxonomy Regulation, we incorporated a Physical Climate Risk Assessment as part of our new project development process. Additionally, we are gradually extending this assessment to cover our existing portfolio. Our approach involves leveraging the available data and studies conducted by external specialists, all aligned with Accolade's requirements.

To ensure the assessment is proportionate to the scale of the activity and its expected lifespan, Accolade considers the RCP 4.5 and 8.5 scenarios over a 50-year period for climate risk and vulnerability assessments. As of now, we have not identified any high-risk situations. However, if any such risks emerge, we are prepared to implement adaptation solutions.

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.

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 the 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. Contractors are required to document the waste handling methodology for each waste group.

TARGETS
Our goal for the coming years is to meticulously collect and analyze data relating to the total amount of construction waste generated, which will allow us to understand and set significant goals in terms of reducing waste and increasing recycling efforts.

	2023
70% THRESHOLD AS A MINIMAL REQUIREMENT	Implemented
% OF WASTE DIVERTED FROM LANDFILL*	Implemented

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

USING HIGH QUALITY MATERIALS FOR OUR MODERN INDUSTRIAL PARKS

GREEN BUILDING CERTIFICATION

In 2023, Accolade expanded its portfolio with new "Outstanding" BREEAM New Construction certifications. In Poland, Park Szczecin III became the first industrial building to earn an "Outstanding" certification, and Park Konin's facility received the same rating level, making it the highest-rated industrial property in the country in the International New Construction 2016 category at the time of certification. In the Czech Republic, the Stříbro industrial park and the Amazon Robotic Centre in Kojetín have left significant imprints, with the latter being recognized as the largest building to receive an "Outstanding" certification. In addition to these milestones, a building in the Cheb South park received a BREEAM score of 94.2%, this setting a new record as the highest-rated industrial building in the International New Construction category. These accomplishments highlight Accolade's unwavering commitment to environmental sustainability.

A Green Building Certification validates:

- A high level of environmental friendliness
- Suitable working conditions for employees
- Sustainable construction practices

BREEAM STATUS	GLA	% OF TOTAL GLA
EXCELLENT	853,209	34.0%
GOOD	216,209	8.6%
OUTSTANDING	320,789	12.8%
VERY GOOD	1,119,255	44.6%
TOTAL	2,509,556	100%

BREEAM CATEGORY	GLA
BREEAM NEW CONSTRUCTION	1,992,807
BREEAM IN-USE	516,750
TOTAL	2,509,556

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
GLA DELIVERED ON REVITALIZED BROWNFIELDS [m^2]	866,708
TOTAL AREA OF REVITALIZED BROWNFIELDS (SITE AREA) [m^2]	3,788,238

RESPONSIBLE HANDLING OF WATER RESOURCES

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 examinations 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.

ACTIONS

Underlining our commitment to environmental conservation, we strictly adhere to the technical specification of water-related aspects. We utilize the best available technologies available for water preservation, thereby establishing a standard[1] 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.

	2023*
WATER INTENSITY USE IN BUILDING (PER YEAR) [m^3 per m^2]	0.22
TECHNICAL REQUIREMENTS FOR USED WATER APPLIANCES[1]	Implemented

[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 lite.

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

CARE AND RESPECT 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 understand that our employees are the cornerstone of our success, providing us with a competitive edge. We prioritize employee growth, recognizing that enhancing skills and fostering continuous development can mitigate boredom and burnout. Our work culture is marked by transparency and professionalism. We strive for a gender-balanced and diverse team, as we believe this fosters creativity and results in teams that make thoughtful and less risky decisions. By creating conducive conditions for growth, we minimize turnover in key roles, leading to reduced costs associated with hiring new personnel and the burden that the departure of personnel has on fellow employees.

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 is committed to fostering an environment of fairness and equality. We strictly prohibit any discrimination based on gender, nationality, language, religion, political beliefs, disabilities, sexual orientation, or any other diversity factors. Our comprehensive whistleblower program, which includes an anonymous helpline and complaint channels, is available to all group members. We are proud to report that there were no discrimination incidents in 2023, and we strive to maintain this zero-incident record in the future.

At Accolade, we prioritize employee growth and development. We provide a diverse array of training opportunities, designed not only to enhance job-specific skills but also to foster personal growth and mental well-being. The Accolade Academy is our platform for employee development, offering a mix of mandatory and optional training throughout the year. This includes specialized training for Team Leaders and Directors across all our locations. Furthermore, we ensure that all employees receive personal evaluations with their supervisors, promoting continuous learning and improvement.

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

EMPLOYEE RELATED DATA

	CZECHIA	POLAND		SPAIN	CROATIA	
	EMPLOYEES	EMPLOYEES	EXTERNS	EMPLOYEES	EMPLOYEES	TOTAL
NUMBER OF EMPLOYEES TOTAL	109	22	14	4	3	152
NUMBER OF FULL TIME EMPLOYEES	95	21	N/A	4	3	123
NUMBER OF PART TIME EMPLOYEES	14	1	n.a	0	0	15
NUMBER OF PERMANENT EMPLOYEES TOTAL	105	17	14	4	3	143
WOMEN	63	14	6	1	0	84
MAN	42	3	8	3	1	57
NUMBER OF TEMPORARY EMPLOYEES	4	5	1	0	0	10
WOMEN	1	4	1	0	0	6
MAN	3	1	0	0	0	4
NUMBER OF NON-GUARANTEED HOURS EMPLOYEES	4	N/A	N/A	0	0	4
WOMEN	1	N/A	N/A	0	0	1
MAN	3	N/A	N/A	0	0	3
NEW EMPLOYEE HIRES TOTAL	39	9	4	0	2	54
WOMEN	27	5	2	0	2	36
MAN	12	4	2	0	0	18
UNDER 30 YEARS OLD	19	5	0	0	1	25
30–50 YEARS OLD	17	4	4	0	1	26
OVER 50 YEARS OLD	3	0	0	0	0	3
TURNOVER TOTAL	13	1	0	0	0	14
WOMEN	10	1	0	0	0	11
MAN	3	0	0	0	0	3
UNDER 30 YEARS OLD	5	0	0	0	0	5
30–50 YEARS OLD	5	1	0	0	0	6
OVER 50 YEARS OLD	3	0	0	0	0	3

DIVERSITY OF EMPLOYEES

	CZECHIA	POLAND		SPAIN	CROATIA
	EMPLOYEES	EMPLOYEES	EXTERNS	EMPLOYEES	EMPLOYEES
WOMEN	58%	77%	43%	25%	67%
MAN	42%	23%	57%	75%	33%
UNDER 30 YEARS OLD	39%	45%	N/A	0%	67%
30–50 YEARS OLD	56%	50%	N/A	100%	33%
OVER 50 YEARS OLD	5%	5%	N/A	0%	0%

CARE AND RESPECT FOR OUR EMPLOYEES

WELLBEING, HEALTH & SAFETY

IMPACT
At Accolade, we understand the pivotal importance of our employees' health, safety, and overall well-being to our operations. Our team members in construction sites encounter physical risks, while those in office settings may grapple with stress, intense workloads, or the ergonomic issues associated with sedentary work. We are committed to fulfilling our moral responsibility of ensuring our employees' safety, which we believe, in turn, enhances efficiency and productivity. Our unwavering commitment to health and safety not only attracts prospective employees but also contributes, we believe, to reduced staff 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.

In our commitment to promote employee health, we offer a range of benefits that vary by country. We implemented home offices, striking a balance between remote and in-office work. Our office spaces are thoughtfully designed with relaxation zones and an ergonomic environment to enhance physical well-being and mitigate stress. To ensure nutritious lunches, we provide e-meal vouchers. Employees are encouraged to take a wellbeing day twice a year and relax, and we offer an extra week of holiday. We champion a healthy lifestyle and organize activities aimed at maintaining mental and physical fitness. A subsidized multisport card is a standard offering. We firmly believe that our proactive measures significantly contribute to the prevention and mitigation of occupational health and safety impacts. By fostering a supportive and healthy work environment, we are directly enhancing our business relationships and promoting a culture of well-being.

	2023
FATALITIES AS A WORK-RELATED INJURIES OR WORK-RELATED ILL HEALTH	0
HIGH-CONSEQUENCE WORK-RELATED INJURIES	0
RECORDABLE WORK-RELATED INJURIES	0
RECORDABLE WORK-RELATED ILL HEALTH	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

We revitalize regions by introducing modern operations and light manufacturing, which can enhance local economies and retain skilled workers. Our investments are uniquely positioned in emerging regions, providing advanced logistics infrastructure that stimulates local economies and generates regional economic value. The value we create through our portfolio is crucial for maintaining regional economic stability. Our diverse network of customers, contractors, tenants, suppliers, and business partners enhances our business activities , serving various people in different areas.

ACTIONS

Accolade, operating in various countries, is committed to fostering strong relationships with business partners, suppliers, local stakeholders, and customers. It generates jobs, income, and tax revenue, thereby creating and distributing economic value in its areas of operation. Accolade's goal is to create added value for shareholders through the effective management of its properties, and by enhancing and expanding its portfolio with environmentally friendly, high-value buildings, thus leaving behind a positive environmental, social, and economic impact.

TARGETS

We aim to consistently enhance the direct economic value that is generated and distributed among each stakeholder group. We strive to maintain the existing number of individuals who benefit from both direct and indirect value creation. We are committed to continuing the provision of infrastructure that will facilitate the creation of indirect employment opportunities.

Financial KPIs are reported in Financial Statement.

COUNTRY	NUMBER OF INDIRECT JOBS
CZECHIA	8,596
POLAND	13,791
SLOVAKIA	146
GERMANY	156
NETHERLANDS	15
SPAIN	55

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 NGOs underscores our commitment to sustainable development initiatives, addressing local social and environmental issues.

COMMUNITY ENGAGEMENT

IMPACT

We hold the view that community engagement can profoundly impact our operations. It can cultivate stronger ties with local communities and improve the efficiency and transparency of our decision-making processes. It gives individuals a voice in decisions that have a direct impact on their lives. Furthermore, it promotes sustainable development by fostering partnerships.

TARGETS

As we grow and establish new industrial parks, we acknowledge our role in enhancing local community welfare. We aim to participate in activities that uplift residents' lives.

We also strive to enable each employee to contribute positively to society by volunteering for one workday annually. We believe this not only aids the communities but also fosters personal development and satisfaction among our employees.

ACTIONS

We believe in the transformative potential of partnerships and collaboration, viewing them as essential catalysts for positive change. Our dedication to the communities in which we function is steadfast, and we consistently support local non-governmental organizations. We encourage our employees to take an active role in various social responsibility programs by offering them opportunities for volunteering and community service. These initiatives allow our employees to donate their time, skills, and expertise, thereby making a significant difference in society. We understand that time and convenience play a crucial role in fostering employee involvement. Therefore, we motivate our employees to choose the activities and campaigns they wish to support, ensuring that their interests are in sync with our community-focused initiatives.

COMMUNITY ENGAGEMENT RELATED DATA

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	Nadační fond Veroniky Kašákové	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	Nadační fond Neuron	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.
POLAND	Teatr za Jeden Uśmiech	Making a donation	Support a group of artists that has been entertaining the little ones in hospitals and orphanages.
POLAND	Good climate for Legnica	Making a donation	Educational contest aimed at children and youth from Legnica schools, with the goal of discussing the effects of climate change and creating environmentally-friendly places together.

FINANCIAL SECTION

BUSINESS OVERVIEW AND OTHER MATTERS

Information about financial results and assets in 2023

Consolidated assets (in CZK thousand)

The assets of Accolade Group as at 31 December 2023 amounted to CZK 33 275 575 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 7 934 448 thousand compared to 2022 financial year (CZK 25 341 127 thousand). The Accolade Group continued to pursue its long-term business plan and expanded its domestic and international portfolio.

Consolidated revenues (in CZK thousand)

In 2023 Accolade Group achieved a consolidated revenues of CZK 3 526 294 thousand. This represents a decrease of CZK 422 531 thousand compared to 2022 financial year (CZK 3 948 825 thousand). The decrease relates to lower sale of properties via share deals or directly as asset deals to Accolade Industrial Fund (- 542 842 thousand CZK), which corresponds with higher value of consolidated assets.

The Accolade Group achieved a consolidated net profit excluding minority interests of CZK 811 444 thousand compared to 2022 financial year (CZK 1 597 740 thousand). This represents a decrease of CZK 786 296 thousand. The result is primarily driven by higher interest expenses from borrowings to continuing investment development, change of exchange rates, changes in the value of investment properties and financial investments.

Expected future business activity

In 2024 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 continue to develop new projects and lease them to reputable tenants. Geographically, it will continue to focus on activities in the Czech Republic, Poland and develop projects in other locations as Slovakia, Spain, Croatia or Hungary.

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 33% in 2023 (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 has presented 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

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: 2024.06.27 18:10:24 +02'00'

Ing. Zdeněk Šoustal Digitální podpis: 27.06.2024 20:51

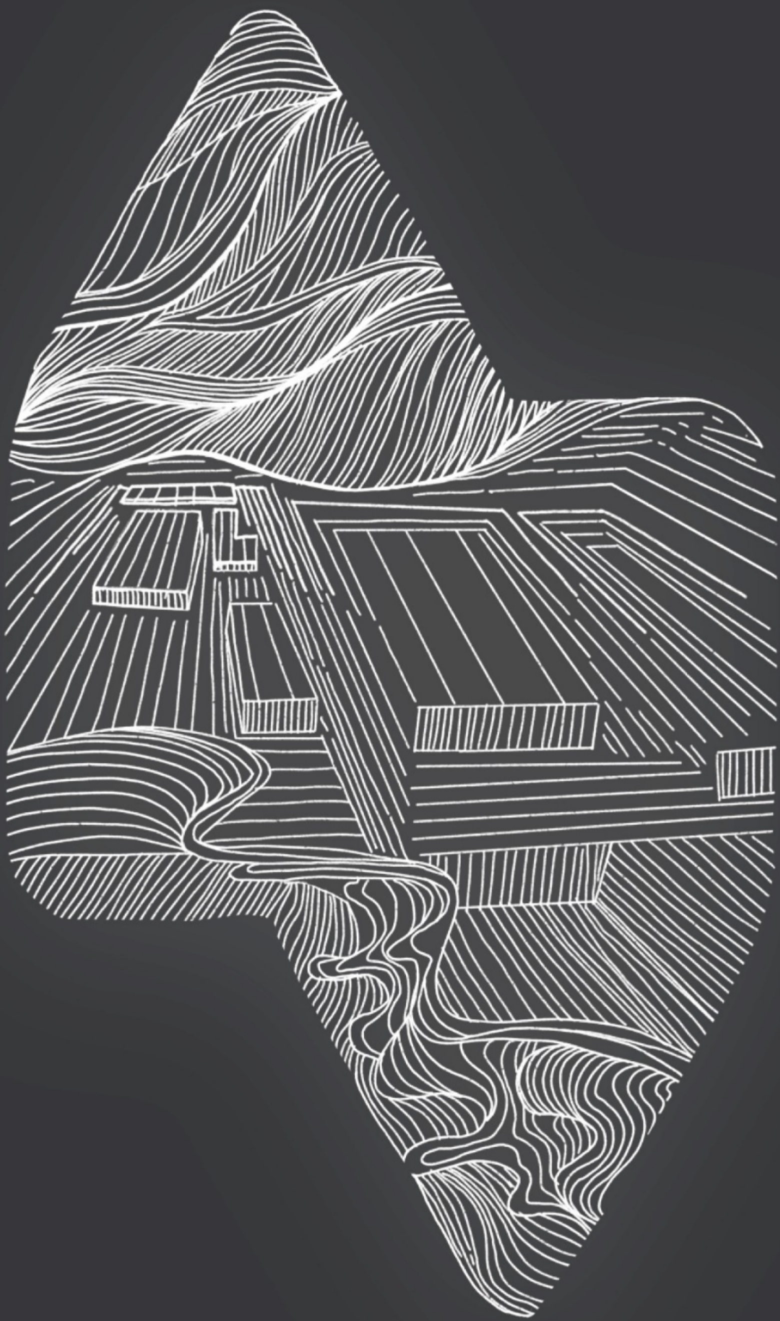
Milan Kratina

CEO, Member of the Board of Directors

Zdeněk Šoustal

Member of the Board of Directors

Accolade



ACCOLADE HOLDING, A.S.

Audited consolidated financial statements for the year ended 31 December 2023

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

In thousands of CZK	Notes	31 December 2023	31 December 2022
Revenues	8	3 526 294	3 948 825
Cost of revenues	8	-2 113 588	-3 248 147
Gross profit		**1 412 706**	**700 678**
General and administrative expenses	8	-17 052	-16 505
Personnel expenses	40	-295 116	-235 725
Depreciation and amortization	19, 20	-49 053	-52 625
Other income/expense	8	-89 899	180 158
Net valuation result on investment property	18	339 646	506 803
Net valuation result on equity-accounted associates	27	-201 660	252 619
Net valuation result on financial investments	29	-3 191	99 974
Profit from operations		**1 096 381**	**1 435 377**
Financial income	8	987 204	897 183
Financial expense	8	-1 152 638	-706 767
Share on income/loss of financial investments		27 136	18 310
Profit before tax		**958 083**	**1 644 103**
Income taxes	9	-108 730	-114 726
Profit for the period from continuing operations		**849 353**	**1 529 377**
Profit for the period from discontinued operations	21	-7 160	
PROFIT FOR THE PERIOD		**842 193**	**1 529 377**
Profit/(loss) for the year attributable to:			
Owners of the parent		811 444	1 597 740
Non-controlling interests		30 749	-68 363
PROFIT FOR THE PERIOD		**842 193**	**1 529 377**
OTHER COMPREHENSIVE INCOME			
Cash flow hedge - effective portion of changes in fair value net of tax		-144 067	0
Foreign currency translation differences net of tax		-42 217	0
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-101 850	0
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**740 343**	**1 529 377**
Total comprehensive income attributable to:			
Owners of the parent		709 594	1 597 740
Non-controlling interests		30 749	-68 363

The accompanying notes on pages 65-119 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

In thousands of CZK	Notes	31 December 2023	31 December 2022
ASSETS			
CURRENT ASSETS			
Inventories	11	34 565	48 088
Trade and other receivables	13	801 568	192 857
Prepayments and other current assets	17	636 086	649 411
Cash and cash equivalents	12	751 439	667 183
Assets classified as held for sale	21	635 949	0
TOTAL CURRENT ASSETS		**2 859 607**	**1 557 539**
NON-CURRENT ASSETS			
Investment property	18	14 443 425	10 855 529
Investment property under development	18	11 242 079	7 518 244
Property, plant and equipment	19	802 575	757 551
Intangible assets	20	209 758	143 685
Investments in equity-accounted associates	27	977 960	1 239 123
Investments at fair value through profit and loss	25	1 205 943	1 263 165
Trade and other receivable	13	1 496 634	1 973 276
Derivative financial assets	38	37 594	33 015
TOTAL NON-CURRENT ASSETS		**30 415 968**	**23 783 588**
TOTAL ASSETS		**33 275 575**	**25 341 127**

The accompanying notes on pages 65-119 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (continued)

In thousands of CZK	Notes	31 December 2023	31 December 2022
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	14	2 097 573	2 013 015
Loans and borrowings	16	2 027 124	2 801 375
Lease liabilities	15	31 856	24 602
Employee benefits	30	33 774	20 084
Income tax payable	30	37 026	11 548
Provisions	31	18 155	138 498
Liabilities associated with assets classified as held for sale	21	420 826	0
TOTAL CURRENT LIABILITIES		**4 666 334**	**5 009 122**
NON-CURRENT LIABILITIES			
Trade and other payables	14	2 503 066	351 093
Loans and borrowings	16	14 500 573	9 396 430
Lease liabilities	15	541 955	549 727
Deferred tax liability	10	288 456	91 746
Derivative financial liabilities	38	90 443	0
TOTAL NON-CURRENT LIABILITIES		**17 924 493**	**10 388 996**
EQUITY			
Share capital	33	2 400	2 400
Reserve fund		1 170	1 170
Retained earnings		9 882 824	8 427 734
Net result for the period		811 444	1 597 740
Equity attributable to equity holders of the parent		**10 697 838**	**10 029 044**
Non-controlling Interest	28	-13 090	-86 035
TOTAL EQUITY		**10 684 748**	**9 943 009**
TOTAL LIABILITIES AND EQUITY		**33 275 575**	**25 341 127**

The accompanying notes on pages 65-119 are an integral part of these consolidated financial statements

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

In thousands of CZK	Share capital	Reserve fund	Retained earnings	Total equity attributable to parent	Non-controlling Interest	Total equity
Balance at 1 January 2022	**2 400**	**1 170**	**8 513 496**	**8 517 066**	**-48 257**	**8 468 809**
Comprehensive income for the period						
Profit for period	-	-	1 597 740	1 597 740	-68 363	1 529 377
Total comprehensive income for the period	**-**	**-**	**1 597 740**	**1 597 740**	**-68 363**	**1 529 377**
Other movements						
Purchase of non-controlling interest	-	-	-30 585	-30 585	30 585	-
Foreign currency translation differences	-	-	-2 978	-2 978	-	-2 978
Application of hedge accounting	-	-	69 638	69 638	-	69 638
Correction of previous years	-	-	-1 837	-1 837	-	-1 837
Dividends	-	-	-120 000	-120 000	-	-120 000
Balance at 31 December 2022	**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 control	-	-	-	-	41 396	41 396
Purchase of non-controlling interest	-	-	-800	-800	800	-
Dividends			-40 000	-40 000		-40 000
Total other movements	**-**	**-**	**-40 800**	**-40 800**	**42 196**	**1 396**
Balance at 31 December 2023	**2 400**	**1 170**	**10 694 268**	**10 697 838**	**-13 090**	**10 684 748**

The accompanying notes on pages 65-119 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

In thousands of CZK	Note	31 December 2023	31 December 2022
Cash flows from operating activities			
Profit for the year		**811 444**	**1 597 740**
Adjustments for:			
Amortization and depreciation	19,20	49 053	52 625
Net valuation result on investment property	29	-339 646	- 506 803
Net valuation result on equity-accounted associates	29	201 660	-252 619
Net valuation result on financial investments	25	-23 945	-99 974
Gain from sale of investment property		-220 995	-296 121
Finance income	8	-172 367	-137 592
Finance expense	8	679 126	322 669
Income tax expense	9	108 730	114 726
Other non-cash operations		709 806	598 514
Operating profit before changes in working capital		**1 802 866**	**1 393 165**
Decrease/(increase) in trade and other receivables	13,15	29 644	-889 607
Decrease/(increase) in inventories	11	13 523	-13 416
Derivative financial assets	38	-4 579	-33 015
Increase/(decrease) in trade and other payables	14,15	-2 120 569	591 691
Increase/(decrease) in derivative financial liabilities	38	90 443	0
Increase/(decrease) in provisions and employee benefits	30,31	-106 653	73 863
Changes in net working capital		**-2 098 191**	**-270 484**
Net cash flows from operating activities		**-295 325**	**1 122 681**
Investing activities			
Acquisition of investment property and investment property under development	18	-6 256 381	-3 519 641
Acquisition of property, plant and equipment	19	-136 111	-78 688
Acquisition of Intangible assets	20	-70 353	-25 700
Proceeds from disposal of investment property, PPE and intangible assets	18,19,20	3 572 787	718 306
Acquisition of new shares, net of cash acquired	22	-1 174 120	-615 293
Cash acquired by acquisition	22	21 360	0
Interest received	8	172 367	137 592
Decrease/(increase) of assets held for sale	21	-635 949	0
Net cash used in investing activities		**-4 506 400**	**-3 383 424**
Financing activities			
Dividends paid to the holders of the parent		-40 000	-120 000
Repayment of borrowings	16	-3 359 889	-1 685 577
Proceeds from loans and borrowings	16	8 486 727	4 591 672
Payment of lease liabilities	15	-35 487	-26 362
Interest paid on loans and borrowings	8, 15	-586 196	-322 669
Increase/(decrease) in liabilites held for sale	21	420 826	0
Net cash (used in)/from financing activities		**4 885 981**	**2 437 064**
Net increase in cash and cash equivalents		**84 256**	**176 321**
Cash and cash equivalents at beginning of year		**667 183**	**490 862**
Cash and cash equivalents at end of year		**751 439**	**667 183**

The accompanying notes on pages 65-119 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 2023	Ownership as at 31 Dec 2022
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%	n/a
Accolade Finance Okrouhlá, s.r.o., člen koncernu, IN: 19718489	Direct	12.09.2023	100%	n/a
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 2023	Ownership as at 31 Dec 2022
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	Direct	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	100%	100%
Accolade CZ 79, s.r.o., člen koncernu IN: 17473268	Direct	29.08.2022	100%	100%
Accolade CZ 80, s.r.o., člen koncernu IN: 17473276	Direct	29.08.2022	62,5%	100%
Accolade CZ 81, s.r.o., člen koncernu IN: 19062290	Direct	17.02.2023	100%	n/a
Accolade CZ 82, s.r.o., člen koncernu IN: 19062656	Direct	17.02.2023	100%	n/a

	Ownership	Established	Ownership as at 31 Dec 2023	Ownership as at 31 Dec 2022
Accolade CZ 83, s.r.o., člen koncernu IN: 19062818	Direct	17.02.2023	100%	n/a
Accolade CZ 84, s.r.o., člen koncernu IN: 19063474	Direct	17.02.2023	100%	n/a
Accolade CZ 85, s.r.o., člen koncernu IN: 19063482	Direct	17.02.2023	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	100%	100%
LETIŠTĚ BRNO a.s., IN: 26237920	Indirect	08.11.2017	100%	100%
B.A.W.D.F. s.r.o., IN: 47914602	Indirect	08.11.2017	100%	100%
Moravia GSA s.r.o. IN: 07158076	Indirect	12.06.2018	55%	55%
Karlovarská park s.r.o. *** IN: 04468341	Indirect	19.10.2015	100%	10%
RG construction CZ s.r.o. *** IN: 08311641	Indirect	05.04.2022	100%	100%
Common Springhill, s.r.o. *** IN: 07750811	Indirect	24.09.2021	100%	100%
Nordland Bohatice, s.r.o. *** IN: 07750137	Indirect	24.09.2021	100%	100%
Accolade PP 1, s.r.o., člen koncernu	Direct	18.09.2007	100%	n/a
Accolade CZ XVIII, s.r.o., člen koncernu	Indirect	29.12.2015	100%	n/a
SPV red, s. r. o.	Direct	22.05.2014	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	70%	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	100%	100%
Accolade PL XXVII sp. z o.o. IN: 0000885728	Direct	25.02.2021	100%	100%
Accolade PL XXIX sp. z o.o. IN: 0000909922	Direct	20.07.2021	60%	60%
Accolade PL XXX sp. z o.o. IN: 0000909919	Direct	14.07.2021	70%	70%
Accolade PL XXXI sp. z o.o. IN: 0000910220	Direct	16.07.2021	60%	60%
Accolade PL XXXII sp. z o.o. IN: 0000910784	Direct	28.07.2021	60%	60%
Accolade PL XXXIII sp. z o.o. IN: 0000909957	Direct	28.07.2021	100%	100%
Accolade PL XXXIV sp. z o.o. IN: 0000882627	Direct	01.07.2021	60%	60%
Accolade PL XXXV sp. z o. o. IN: 0000895837	Direct	01.07.2021	50%*	50%*
Accolade PL XXXVI sp. z o.o. IN: 0000901478	Direct	24.09.2021	60%	60%
Accolade PL XXXVIII sp. z o.o. IN: 0000903440	Direct	02.11.2021	55%	55%
Accolade PL XXXIX sp. z o.o. IN: 0000943202	Direct	24.01.2022	50%*	50%*
Accolade PL XL sp. z o.o. IN: 0000941283	Direct	21.12.2021	60%	60%
Accolade PL 41 sp. z o.o. IN: 0000942972	Direct	14.03.2022	100%	100%
Accolade PL 42 sp. z o.o. IN: 0000957625	Direct	04.04.2022	63%	100%
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%

	Ownership	Established	Ownership as at 31 Dec 2023	Ownership as at 31 Dec 2022
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	100%	100%
Accolade PL 52 sp. z o.o. IN: 0000992880	Direct	19.09.2022	100%	100%
Accolade SK II, s.r.o. IN: 53779487	Direct	15.05.2021	100%	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 I B.V. IN: 861129416	Direct	07.05.2020	80%	80%
ACCOLADE VITO, S.L. IN: B01610369	Direct	30.12.2020	65%	65%
ACCOLADE SERV, S.L. IN: B06891386	Direct	26.07.2021	100%	100%
ACCOLADE ALZ, S.L. IN: B06915771	Direct	26.07.2021	55%	55%
ACCOLADE MURC, S.L. IN: B06915797	Direct	25.11.2021	60%	60%
ACCOLADE BUR, S.L. IN: B06915748	Direct	25.11.2021	100%	100%
SERSAM SPV 2022, S.L. IN: B09677907	Direct	14.07.2022	100%	100%
ALFAR SPV 2022, S.L. IN: B10575876	Direct	14.07.2022	100%	100%
Accolade I d.o.o. IN: 12820590917	Indirect	03.09.2021	100%	100%
Accolade II d.o.o. IN: 75563378267	Indirect	22.03.2022	100%	100%
Accolade III d.o.o. IN: 44196876040	Direct	22.03.2022	100%	100%
Accolade SERV d.o.o. IN: 32678013071	Direct	22.03.2022	100%	100%
Accolade V d.o.o. IN: 62395377067	Direct	11.01.2023	100%	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%
Accolade Utilities SE *** IN: HRB16992	Indirect	14.12.2022	100%	100%
ACCOLADELIS, UNIPESSOAL LDA IN: 517060914	Direct	13.07.2022	100%	100%
ACCOLADE SEV, S.L. IN: B06891378	Direct	06.10.2021	n/a**	60%
ACCOLADE VAL, S.L. IN: B01610724	Direct	30.12.2020	n/a**	72%
Accolade CZ 56, s.r.o., člen koncernu IN: 10724613	Direct	31.03.2021	n/a**	100%
Accolade CZ 46, s.r.o., člen koncernu, IN: 08935831	Direct	11.02.2020	n/a**	100%
PDC Industrial Center 213 sp. z o.o.	Direct	28.09.2021	n/a**	52%

* Companies Accolade CZ 68, 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 2023
*** Mergers within the Group during 2023

Shareholders

The Company ultimate shareholders as of 31 December 2023 and 31 December 2022 were as follows:

	Interest in ultimate parent share capital	
Shareholder	**31 December 2023**	**31 December 2022**
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 2023 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, 2023

In the given year, the following amendments to IFRS became binding for use in the EU. Most of these changes in IFRS generally require full retrospective application (i.e. it is necessary to revise the values of comparable periods), but some changes only allow for a prospective adjustment (i.e. no adjustments to values of comparable periods) or a simplified (modified) retrospective adjustment.

- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 12 Income Taxes: Deferred Tax Relating to Assets and Liabilities Arising from a Single Transaction
- Amendments to IAS 1 and IFRS Opinion 2 Disclosure of Accounting Policies
- IFRS 17 Insurance Contracts
- Amendments to IAS 8 Definitions of Accounting Estimates
- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules

Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information

Insurance companies can apply IFRS 9 Financial Instruments at the same time as the application of IFRS 17 Insurance Contracts. These standards have different requirements for comparative information that will be presented at the initial application. IFRS 17 requires companies to present one revised comparison period. IFRS 9 allows, but does not require, the restatement of comparable periods and prohibits companies from applying IFRS 9 to financial assets derecognised in the comparable period.

Amendments to IAS 12 Income Taxes: Deferred Tax Relating to Assets and Liabilities Arising from a Single Transaction

In May 2021, the International Accounting Standards Board (IASB) issued an amendment to IAS 12 Income Taxes relating to deferred tax relating to assets and liabilities arising from a single transaction. The amendments have added paragraphs 15 and 24 of IAS 12 Income Taxes, which will no longer apply to transactions that give rise to the same taxable and deductible transitional differences upon initial recognition.
For some transactions, IFRS requires an asset and a liability to be recognised simultaneously. As a result, IAS 12 could also require the accounting of transient differences. Prior to the amendments, it was unclear whether IAS 12 required deferred tax recognition for these temporary differences or whether the initial recognition exemption applied. The exemption prohibits an entity from recognizing deferred tax assets and liabilities when it initially recognises an asset or liability from a transaction that is not a business combination and does not affect accounting or taxable profit.

Amendments to IAS 1 and IFRS Opinion 2 Disclosure of Accounting Policies

The amendments to IAS 1 were issued on 12 February 2021. The amendments amend the requirements of IAS 1 regarding the disclosure of accounting policies. After these amendments are applied, entities will publish their material accounting policies instead of their material accounting policies. Previous amendments to IAS 1 address the concept of "materiality" and explain how an entity can identify significant accounting principles.
To support these amendments, the IASB has developed procedures and examples that explain and demonstrate the use of the "four-step materiality process" described in IFRS Opinion 2.

IFRS 17 Insurance Contracts

IFRS 17 contains new requirements for the recognition and measurement of insurance contract liabilities. This standard will replace the currently valid IFRS 4 standard. The aim is to help companies implement IFRS 17 and to facilitate clarification of the impact of IFRS 17 on the financial performance of the companies concerned.

Amendments to IAS 8 Definitions of Accounting Estimates

The amendments to IAS 8 were issued on 12 February 2021. The purpose of these amendments is to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules

The scope of the standard extends to income taxes resulting from tax laws that have been adopted or effectively enacted to implement the Pillar II Model Rules published by the OECD. At the same time, the standard introduces a temporary exemption for the reporting of deferred tax assets/liabilities related to profit taxes under the second pillar.
The above amendments to IFRS did not have a material impact on the financial statements.
New and amended IFRS adopted for use in the EU that are not binding for fiscal years beginning on 1 January 2023 but may be applied earlier

As of the date of approval of these financial statements, the following amendments to the applicable standards have been approved, which are binding for use in the EU, but the date of mandatory application is set for 1 January 2024:

- Amendments to IFRS 16 Leases: Leaseback Liability
- Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current

Amendments to IFRS 16 Leases: Leaseback Liability

An amendment to IFRS 16 governs the subsequent valuation of a lease liability arising from a leaseback transaction in such a way that it makes it impossible to recognise any gain or loss on an asset subject to a leaseback that the seller-lessee has retained control. At the same time, this amendment does not prevent the seller-lessee from reporting a profit or loss from partially or fully terminated leases as part of the profit or loss statement. The expected effective date is for fiscal years beginning on or after January 1, 2024.

Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current

The IASB has issued amendments to IAS 1: Classification of liabilities as current and non-current liabilities, which relate only to the recognition of liabilities in the statement of financial position (not to the recognition of individual assets, liabilities, revenues or expenses that an entity discloses on these items). The amendments are effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.
These amendments bring changes:

- specify that the classification of liabilities as current and non-current should be based on the rights that exist at the end of the accounting year and unify the wording of all related paragraphs to refer to the 'right' to defer the settlement of the liability for at least twelve months, and explicitly state that only those that exist 'at the end of the financial year' should affect the classification of the liability;
- specify that the classification is not affected by expectations as to whether the reporting entity will exercise the right to defer settlement of the liability;
- clarify that settlement refers to the transfer of funds, equity instruments, other assets or services to a counterparty.

The Group does not anticipate a material impact of the above IFRS amendments.

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

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

- Amendments to IAS 21 Lack of Convertibility
- Amendments to IAS 7 Statement of Cash Flows
- Amendments to IFRS 7 Financial Instruments: Disclosure

Amendments to IAS 7 Lack of Convertibility

The amendment specifies the methodology for determining a sufficient degree of convertibility of a foreign currency and provides a procedure for accounting recognition of cases where a given currency is not sufficiently convertible. In these cases, the entity will have to use its own estimation of the exchange rate, which will sufficiently reflect the current state of the market. The amendment also introduces additional requirements for the disclosure of information in the commentary to the financial statements, relating to cases of insufficient convertibility of foreign currencies.

Amendments to IAS 7 Statement of Cash Flows

The amendment stipulates the obligation to disclose information on its supplier financing arrangements to enable financial statement users to assess the impact of these arrangements on an entity's liabilities and cash flows and on its exposure to liquidity risk.

Amendments to IFRS 7 Financial Instruments: Disclosure

The amendment stipulates the obligation to publish a description of the method of managing the liquidity risk arising from financial obligations.
The Group does not anticipate a material impact of the above IFRS amendments.

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 2023 and 31 December 2022 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 and a lease liability. Specific assets accounted for this way are International Airport Brno and offices occupied by the Group employees. Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

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

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

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

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

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

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

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

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

As a lessee, the Group previously classified leases as operating, or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases. However, the Group has elected not to recognize right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

7.5.2. As a lessor

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

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

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

7.6. Intangible Assets

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

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

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

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

Asset	Useful life
Computer Software	Three years

Goodwill

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

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

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

7.7. Financial assets and contract assets

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

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

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

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

The Group subsequently measures financial assets as follows:

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

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

Fair value through profit and loss investments

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

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

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

Financial assets at Amortized costs

Trade and other receivables

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

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 2023**	**31 December 2022**
Industrial leasing	745 589	469 348
Airport operations	455 542	301 054
Gains from sale of assets	1 826 974	2 369 817
Other	498 189	808 606
Total	**3 526 294**	**3 948 825**

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 2023	31 December 2022
Industrial leasing	- 254 793	-161 453
Airport operations	- 102 568	-136 079
Costs related to sale of assets	- 1 471 661	-2 650 151
Other	- 284 566	-300 464
Total	**-2 113 588**	**-3 248 147**

General and administrative expenses

In thousands of CZK	31 December 2023	31 December 2022
Travel and representation expenses	-17 052	-16 505
Total	**-17 052**	**-16 505**

Other income/expense

In thousands of CZK	31 December 2023	31 December 2022
Real estate and other taxes	-18 014	-16 321
Gifts	-4 093	-37 217
Sold material	-2 320	-2 089
Cost of sold other fixed assets	-610	-549 504
Other operating expenses	-99 831	-169 708
Total other expenses	**-124 868**	**-774 839**
Revenues from sold other fixed assets	859	845 625
Revenues from sold material	3 197	3 271
Other operating revenues	30 913	106 101
Total other revenues	**34 969**	**954 997**
Other income/expense	**-89 899**	**180 158**

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 2023	31 December 2022
Interest income - loans from related parties	141 459	119 289
Interest income - loans from third parties	29 168	16 639
Interest income from term deposits	1 740	1 663
Income from derivative operations	18 354	0
Foreign exchange gains	790 738	334 755
Gain from a bargain purchase	2 511	380 726
Other financial income	3 234	44 111
Total	**987 204**	**897 183**

Finance expense

In thousands of CZK	31 December 2023	31 December 2022
Interest expense - loans from related parties	-181 716	-103 936
Interest expense - loans from thirds parties	-189 102	-117 385
Interest expense on issued bonds	-35 028	-13 935
Interest expense on bank loans	-304 516	-90 397
Financing fees	-39 173	-15 174
Bank fees	-3 822	-4 704
Foreign exchange losses	-395 245	-357 521
Interest expense on lease liabilities	-4 002	-2 892
Other financial expense	-35	-824
Total	**-1 152 638**	**-706 767**

9. INCOME TAX

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

In thousands of CZK	31 December 2023	31 December 2022
Current income tax	74 564	114 379
Deferred tax	34 166	347
Total	**108 730**	**114 726**

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 2023	31 December 2022
Accounting profit before income tax	958 083	1 644 103
At statutory rate of 19 %*	182 036	312 380
Creation of tax loss	2 180	52 637
Permanent differences	360 514	50 035
Temporary differences	-289 388	94 982
Income tax expense	**108 730**	**114 726**
Effective tax rate	***11,35%***	***6,98%***

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 2023 nor as at 31 December 2022. 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 2023		31 December 2022	
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	200 948	-490 336	9 558	-167 919
Other temporary differences:				
Provisions	1 273		541	
Tax losses	2 180		18 760	
Other	23 292	-25 813	163 481	-116 167
Total	**227 693**	**-516 149**	**192 340**	**-284 086**
Valuation allowance				
Deferred tax liability, net	**-**	**-288 456**	**-**	**-91 746**

The Group can carry forward tax losses generated for up to 1 – 5 years based on the Czech jurisdiction. The total remaining tax loss carry forward from the years 2018 through 2023 amounts to CZK 10 381 thousand out of which no deferred tax asset was recognized in the Financial Statements at 31 December 2023. The benefits will be recognized when realized or if it will be probable that the unrecognized portion of tax losses will be recoverable against available future profits.

The Group has applied new tax rate of 21% that is applicable since 1 January 2024 for all Czech entities. As at 31 December 2022 Czech tax rate used in deferred tax calculation was 19%.

11. INVENTORIES

In thousands of CZK	31 December 2023	31 December 2022
Raw materials and consumables	3 553	2 965
Work-in-progress	27 300	43 457
Goods for resale	3 712	1 666
Total inventories	**34 565**	**48 088**

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

12. CASH

In thousands of CZK	31 December 2023	31 December 2022
Cash at bank available on demand	736 963	663 328
Cash on hand	14 476	3 855
Total Cash and cash equivalents	**751 439**	**667 183**

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

13. ACCOUNTS RECEIVABLES

In thousands of CZK	31 December 2023	31 December 2022
Trade receivables	321 425	131 667
Less: Provision for impairment of trade receivables	-55 918	-4 815
Trade receivables – net	**265 507**	**126 852**
Receivables to third parties	339 121	166 283
Receivables to related parties	1 490 428	1 806 993
Prepayments	28 356	24 316
Other trade receivables	174 790	41 689
Total trade and other receivables	**2 298 202**	**2 166 133**
Less: non-current portion	-1 496 634	-1 973 276
Current portion of trade and other receivables	**801 568**	**192 857**

Accounts receivables are measured at fair value and are subsequently measured at amortized cost, less allowance for credit losses. The carrying amount of the accounts receivable approximates the fair value. The Group periodically review whether an allowance for credit losses is needed by considering factors such as past payment experience, credit quality, aging of the accounts receivable balances, expected lifetime losses, and current economic conditions that may affect a tenant's ability and willingness to pay.

ECL model for account receivables:

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

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

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**

31 December 2022	**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	127 083	4 584	131 667	-231	-4 584	-4 815	126 852
Total	**127 083**	**4 584**	**131 667**	**-231**	**-4 584**	**-4 815**	**126 852**

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 ant therefore the receivable could be transferred between stages.

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**

31 December 2022 *In thousands of CZK*	31 December 2022	Additions	Derecognitions	Transfer between stages	Other changes in credit risk	Other	31 December 2022
Stage 2	-309	0	78	0	0	0	**-231**
Stage 3	-5 841	0	1 257	0	0	0	**-4 584**
Total	**-6 150**	**0**	**1 335**	**0**	**0**	**0**	**-4 815**

All loans to third and related parties are due within 8 years of 31 December 2023. 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 2023	31 December 2022
Short-term part of trade payables		
Trade payables	1 055 640	1 208 779
Short-term advances received	5 929	8 829
Accrued expenses	616 939	483 938
Deferred revenues	123 700	61 992
Other short-term payables	295 365	249 477
Total short-term part of trade payables	**2 097 573**	**2 013 015**
Long-term part of trade payables		
Trade payables	243 878	128 432
Long-term advances received	16 085	4 611
Deferred revenues	1 480 326	0
Other long-term payables	762 777	218 050
Total long-term part of trade payables	**2 503 066**	**351 093**
Total Trade and other payables	**4 600 639**	**2 364 108**

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 2023	31 December 2022
Less than 12 months	817 141	575 168
1 to 5 years	2 548 188	2 363 514
More than 5 years	1 927 622	1 082 307
Total	**5 292 952**	**4 020 989**

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

In thousands of CZK	31 December 2023	31 December 2022
Short- term lease receivables	817 141	575 168
Long-term lease receivables	4 475 810	3 445 821
Total lease receivables	**5 292 951**	**4 020 989**

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 2023 and 31 December 2022 are as follows:

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**

31 December 2022	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	4 017 781	3 208	4 020 989	-40 178	-64	-40 242	3 980 747
Total	**4 017 781**	**3 208**	**4 020 989**	**-40 178**	**-64**	**-40 242**	**3 980 747**

Movement in credit loss allowances:

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	-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**

31 December 2022 *In thousands of CZK*	31 December 2021	Additions	Derecognitions	Transfer between stages	Other changes in credit risk	Other	31 December 2022
Stage 2	-27 869	-12 309	0	0	0	0	**-40 178**
Stage 3	0	-64	0	0	0	0	**-64**
Total	**-27 869**	**-12 373**	**0**	**0**	**0**	**0**	**-40 242**

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 2023, 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 537 890 thousand held under leases for the period ended 31 December 2023 (31 December 2022: CZK 542 397 thousand).

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

In thousands of CZK	31 December 2023	31 December 2022
The carrying amount of right-of-use assets at the end of the reporting period:	**1 037 643**	**1 019 534**
Land and buildings	864 251	853 216
Fixtures, fittings and motor vehicles	173 392	166 318
Depreciation charge for right-of-use assets:	**-499 753**	**-477 137**
Land and buildings	-404 653	-358 918
Fixtures, fittings and motor vehicles	-95 100	-118 219
The net carrying amount of right-of-use assets at the end of the reporting period:	**537 890**	**542 397**
Land and buildings	459 598	494 298
Fixtures, fittings and motor vehicles	78 292	48 099

Lease liabilities

The Group's leasing liabilities are as follows:

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

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

In thousands of CZK	31 December 2023	31 December 2022
Less than 12 months	31 856	24 602
1 to 5 years	125 380	99 439
More than 5 years	416 575	450 288
Total lease liabilities	**573 811**	**574 329**

CZK '000	31 December 2023	31 December 2022
Short- term lease liabilities	31 856	24 602
Long-term lease liabilities	541 955	549 727
Total lease liabilities	**573 811**	**574 329**

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

In thousands of CZK	31 December 2023	31 December 2022
Interest expense on lease liabilities	5 544	2 892
Total cash outflow for leases (excluding VAT)	35 487	27 603

In the period 1 January - 31 December 2023 the Group incurred interest expense on lease liabilities of CZK 5 544 thousand (in 2022: CZK 2 892 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 2023	31 December 2022
Current		
Bank loans	**398 853**	**342 386**
secured	398 853	342 386
unsecured	0	0
Bonds	**13 803**	**7 433**
secured	13 803	7 433
unsecured	0	0
JV Loans	**351 733**	**529 896**
secured	29 518	26 783
unsecured	322 215	503 113
3rd Party Loans and Borrowings	**1 262 735**	**1 921 660**
unsecured shareholder loans	0	20 913
unsecured & secured 3rd party loans	1 262 735	1 900 747
Total Current	**2 027 124**	**2 801 375**
Non-Current		
Bank loans	**8 361 168**	**5 297 409**
secured	8 361 168	5 297 409
unsecured	0	0
Bonds	**894 500**	**482 300**
secured	894 500	482 300
unsecured	0	0
JV Loans	**2 895 326**	**3 054 643**
secured	24 986	150 925
unsecured	2 870 340	2 903 718
3rd Party Loans and Borrowings	**2 349 579**	**562 078**
unsecured shareholder loans	154 124	0
unsecured & secured 3rd party loans	2 195 455	562 078
Total Non-Current	**14 500 573**	**9 396 430**
Total loans and borrowings	**16 527 697**	**12 197 805**

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

In thousands of CZK	31 December 2023	31 December 2022
Floating rate	9 268 325	5 923 026
Fixed rate	7 259 372	6 274 779
Total	**16 527 697**	**12 197 805**

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

In thousands of CZK	31 December 2023	31 December 2022
CZK	1 268 675	1 190 681
EUR	15 259 021	10 895 785
Other	0	111 339
Total	**16 527 697**	**12 197 805**

The Group has undrawn committed borrowing facilities available at 31 December 2023 and 31 December 2022, for which all conditions have been met, as follows:

In thousands of CZK	31 December 2023	31 December 2022
Expiry within 1 year	1 792 953	1 117 220
Expiry in more than 1 years	3 975 004	2 449 673
Total	**5 767 958**	**3 566 893**

17. OTHER CURRENT ASSETS

In thousands of CZK	31 December 2023	31 December 2022
VAT receivable	235 251	329 575
Other tax receivable	6 458	6 428
Pre-paid expenses	202 765	197 125
Accrued revenues	111 439	33 685
Estimated revenues	80 173	82 598
Total other current accounts assets	**636 086**	**649 411**

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.

18. INVESTMENT PROPERTY

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		339 646	339 646
At December 31, 2023	**11 242 079**	**14 443 425**	**25 685 504**

In thousands of CZK	Investment property under development	Investment property	Total
At January 1, 2022	6 422 232	7 925 097	14 347 329
Additions	2 078 776	4 762 551	6 841 327
Disposals	-982 764	-2 338 921	-3 321 685
Fair value gain (loss) recognized in profit or loss		506 802	506 802
At December 31, 2022	**7 518 244**	**10 855 529**	**18 373 773**

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.
Investment property is composed of the lands and industrial buildings that leased out to the various tenants outside the Group. The most significant changes are completion of several projects and their following sale to the Fund.
A part of owned land plots and buildings are subject of bank pledges.

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

The fair value of the investment property has not been adjusted significantly for the purposes of financial reporting. The fair value of investment property is categorised as a level 3 recurring fair value measurement.

Fair value measurement

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

Valuation Technique
Fair value is determined by applying the income approach, the market approach or the residual method. Valuations performed using the income approach are based on the estimated rental value of the property. Capitalization rates, expected vacancy rates and rental growth rates are estimated by an external valuer or management based on comparable transactions and industry data. This approach is used for properties where construction has been completed. Valuations also reflect the type of tenants in occupation, lease term and rent-free period, the quality of building and its location, BREEAM certification and other positive and negative factors affecting the value of property. Market approach is used for property with development potential and consist in comparison with similar properties for which price information is available. Location, usability in terms of construction and size is reflected when selecting samples. Analysis and adjustment of differences between the subject property and the comparable property is performed by an external valuer or management. Residual method is used for property with development potential where using the market approach is dubious. Anticipated value of the project when completed, all anticipated costs required to complete the development and development profit are estimated by an external valuer or management based on comparable transactions and industry data.
Significant assumptions/ unobservable inputs
- Equivalent yield (5.15% to 7.50%; weighted average 6.06%) - Expected vacancy rate (0% to 2.76%) - Rental growth rate (0%) - Rent-free periods: 0-12 months for new leases
Inter-relationship between key unobservable inputs and fair value
- The higher the equivalent yield and expected vacancy rate the lower the fair value - The longer the rent-free period the lower the fair value

Date of the revaluation: 31 December 2023

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

In thousands of CZK	Land	Buildings	Fixtures, fittings and motor vehicles	Right of Use	Other fixed assets	Artworks	Assets under construction	Total
Cost								
At January 1, 2022	250 166	183 962	110 167	1 014 987	4 083	650	128 913	1 692 928
Additions	13 358	703	18 351	15 333	0	0	11 762	59 507
Disposals	-239 828	-116 784	-18 156	-10 786	-4 083	0	-32 549	-422 186
At December 31, 2022	**23 696**	**67 881**	**110 362**	**1 019 534**	**0**	**650**	**108 126**	**1 330 249**
Accumulated depreciation								
At January 1, 2022	0	-27 501	-74 425	-440 518	-4 356	0	0	-546 800
Charge for the year	0	-3 222	-5 238	-36 619	0	0	0	-45 079
Disposals	0	13 293	1 532	0	4 356	0	0	19 181
At December 31, 2022	0	-17 430	-78 131	-477 137	0	0	0	-572 698
Net book value at December 31, 2022	**23 696**	**50 451**	**32 231**	**542 397**	**0**	**650**	**108 126**	**757 551**

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 48 678 thousand (2022: 32 231 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 2023, 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 537 890 thousand Held under leases for the period ended 31 December 2023 (31 December 2022: CZK 542 397 thousand).

The net book value of assets under construction includes an amount of CZK 92 645 thousand (2022: CZK 74 095 thousand) relating to the new buildings, machines and technical improvements in the airport and paid advances related to new asset purchases amounted to CZK 44 172 thousand (2022: 34 031 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 2023**	**31 December 2022**
Interest on bank loans	61 804	21 397
Interest on loans from related parties	138 163	148 169
Total	**199 967**	**169 566**

20. 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, 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**

In thousands of CZK	**Software**	**Goodwill**	**Other intangible assets**	**Assets under construction**	**Total**
Cost					
At January 1, 2022	12 055	112 172	14 224	0	138 451
Additions	2 957	22 601	100	42	25 700
Disposals	0	0	0	0	0
At December 31, 2022	**15 012**	**134 773**	**14 324**	**42**	**164 151**
Accumulated depreciation					
At January 1, 2022	-4 409	0	-8 511	0	-12 920
Charge for the year	-2 873	0	-4 673	0	-7 546
Disposals	0	0	0	0	0
At December 31, 2022	**-7 282**	**0**	**-13 184**	**0**	**-20 466**
Net book value at December 31, 2022	**7 730**	**134 773**	**1 140**	**42**	**143 685**

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.

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

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

Details of operating profit of Accolade CZ 83, s.r.o., člen koncernu as at 31 December 2023 and loss for the year from discontinued operations were as follows:

In thousands of CZK	**31 December 2023**
Revenues	12 014
Cost of revenues	-1 862
Depreciation and amortization	-5 257
Other income/expense	-74
Profit from operations	**4 820**
Financial income	9 069
Financial expense	-22 153
Profit from discontinued operations before tax	**-8 264**
Income taxes	1 104
Loss for the year from discontinued operations	**-7 160**

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

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

22. BUSINESS COMBINATION

Business combination performed in 2023

On March 31, 2023, the Group acquired a 90% interest in the company Karlovarská park, s.r.o. (got in total 100% interest). Then Karlovarská park, s.r.o. merged with Accolade CZ 76, s.r.o., člen koncernu.

On November 16, 2023, the Group acquired 100% interest in the company Accolade PP 1, s.r.o., člen koncernu and thus acquired 100% in the Company Accolade CZ XVIII, s.r.o., člen koncernu, as Accolade CZ XVIII, s.r.o., člen koncernu is a 100% subsidiary of Accolade PP 1, s.r.o., člen koncernu.

On December 22, 2023, the Group acquired 100% interest in the company SPV red, s.r.o.

23. 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, 2023		**202 663**

Impairment testing

As at 31 December 2023 and 31 December 2022 no impairment was identified.

24. 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 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 31 December, 2023	**-17 405 015**	**-17 405 015**	**0**	**0**	**-17 405 015**

31 December 2022				**Level of fair value**	
In thousands of CZK	**Carrying amount**	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets at amortised costs	**3 515 742**	**3 515 742**	**0**	**0**	**3 515 742**
Trade and other receivables	2 166 133	2 166 133	0	0	2 166 133
Prepayments and other financial assets	682 426	682 426	0	0	682 426
Cash equivalents	667 183	667 183	0	0	667 183
Financial liabilities at amortised costs	**14 561 913**	**14 561 913**	**0**	**0**	**14 561 913**
Trade and other payables	2 364 108	2 364 108	0	0	2 364 108
Loans and borrowings	12 197 805	12 197 805	0	0	12 197 805
Net book value as at December 31, 2022	**-11 046 171**	**-11 046 171**	**0**	**0**	**-11 046 171**

25. 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 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

31 December 2022			**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	1 263 165	0	0	1 263 165

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.

26. FINANCIAL ASSETS AND LIABILITIES ACCORDING TO GEOGRAPHICAL LOCATION

	Czech Republic		EU	
In thousands of CZK	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**
Financial assets at amortised costs	**2 504 458**	**2 077 569**	**1 218 863**	**1 102 171**
Trade and other receivables	1 857 476	1 611 410	440 726	554 723
Prepayments and other financial assets	222 482	150 307	451 198	196 117
Cash equivalents	424 500	315 852	326 939	351 331
Financial assets at fair value through profit and loss	**26 004**	**97 925**	**1 179 939**	**1 165 240**
Financial liabilities at amortised costs	**13 386 634**	**8 296 629**	**7 741 702**	**6 265 284**
Trade and other payables	3 403 206	860 587	1 197 433	1 503 521
Loans and borrowings	9 983 428	7 436 042	6 544 269	4 761 763

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

27. 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 2023	Proportion of ownership interest held as at 31 December 2022
Ballesteros one a.s.	Czech Republic	20 %	20 %
Thyramen a.s.	Czech Republic	20 %	20 %
CHEVAK Cheb, a.s.	Czech Republic	28,16 %	28,16 %
TEREA Cheb s.r.o.	Czech Republic	50 %	50 %
KMS KRASLICKÁ MĚSTSKÁ SPOLEČNOST s.r.o.	Czech Republic	50 %	50 %
ACCOLADE HU I Kft	Hungary	20 %	20 %
PDC Industrial Center 213 Sp. z o.o.	Poland	25 %	n/a
Accolade PL XI sp. z o. o.	Poland	32 %	32 %
Accolade PL XVI sp. z o.o.	Poland	39 %	39 %
Accolade PL XX sp. z o.o.	Poland	26 %	26 %
Accolade PL XXV sp. z o.o.	Poland	49 %	49 %
Accolade PL XXVIII sp. z o.o.	Poland	0 %	49 %

in thousands of CZK	31 December 2023	31 December 2022
Current assets	1 500 083	1 139 561
Non-current assets	10 278 725	9 181 157
Current liabilities	-594 027	-807 863
Non-current liabilities	-7 920 089	-5 505 578
Total comprehensive income	-657 558	-140 999
Net assets	3 264 692	4 007 277
Group share of net assets	**977 960**	**1 239 123**
Fair value gain (loss) recognised in profit or loss	**-201 660**	**252 619**

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

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**

31 December 2022	**Ownership % held by Group**							
in thousands of CZK	20%	25%	26%	28%	32%	39%	49%	50%
Current assets	78 015	0	79 299	310 587	79 197	175 233	251 578	165 652
Non-current assets	1 296 524	0	1 647 188	1 811 550	1 196 855	1 130 369	1 739 037	359 634
Current liabilities	-7 138	0	-50 151	-196 751	-21 626	-14 884	-448 331	-68 982
Non-current liabilities	-722 079	0	-1 355 505	-152 089	-874 769	-989 186	-1 313 662	-98 288
Total comprehensive income	2 857	0	-53 480	0	-10 116	-48 957	-31 303	0
Net assets	645 322	0	320 831	1 773 297	379 657	301 532	228 622	358 016
Group share of net assets	**129 064**	**0**	**83 416**	**496 523**	**121 490**	**117 597**	**112 025**	**179 008**
Fair value gain (loss) recognised in profit or loss	**112 745**	**0**	**97 298**	**0**	**157 672**	**35 471**	**-150 567**	**0**

28. 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	
		2023	2022	2023	2022
Accolade Building Solutions s.r.o.	Czech Republic	50%	50%	50%	50%
Accolade CZ 68, s.r.o., člen koncernu	Czech Republic	50%	50%	50%	50%
Accolade PL 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%
PDC Industrial Center 213 Sp. z o.o.	Poland	-	52%	-	48%
Moravia GSA s.r.o.	Czech Republic	55%	55%	45%	45%
Accolade PL XXXVIII sp. z o.o.	Poland	55%	55%	45%	45%
Accolade PL 43 sp. z o.o.	Poland	55%	55%	45%	45%
Accolade PL 49 sp. z o.o.	Poland	55%	55%	45%	45%
ACCOLADE ALZ, S.L.	Spain	55%	55%	45%	45%
Accolade PL XXIX sp. z o.o.	Poland	60%	60%	40%	40%
Accolade PL XXXI sp. z o.o.	Poland	60%	60%	40%	40%
Accolade PL XXXII sp. z o.o.	Poland	60%	60%	40%	40%
Accolade PL XXXIV sp. z o.o.	Poland	60%	60%	40%	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 SEV, S.L.	Spain	-	60%	-	40%
Accolade CZ 80, s.r.o., člen koncernu	Czech Republic	63%	-	37%	-
Accolade CZ 51, s.r.o., člen koncernu	Czech Republic	63%	63%	37%	37%
Accolade PL 42 sp. z o.o.	Poland	63%	-	37%	-
ACCOLADE VITO, S.L.	Spain	65%	65%	35%	35%
Accolade CZ XXVII, s.r.o., člen koncernu	Czech Republic	70%	70%	30%	30%
Accolade PL XVII sp. z o.o.	Poland	70%	70%	30%	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 VAL, S.L.	Spain	-	72%	-	28%
Accolade I B.V.	Netherlands	-	80%	-	20%

No dividends were paid to the NCI during the years ended 31 December 2023 and 31 December 2022.

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

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**

31 December 2022	Ownership% held by NCI									
in thousands of CZK	20%	28%	29%	30%	35%	37%	40%	45%	48%	50%
Current assets	72 789	7 361	5 271	187 715	27 479	296 910	112 944	41 615	169 690	143 987
Non-current assets	442 358	343 742	165 796	1 781 753	422 588	181 068	1 835 500	934 625	1 100 329	1 561 229
Current liabilities	-8 344	-47 560	-2 096	-463 624	-66 708	-5	-159 153	-38 698	-98 784	-277 756
Non-current liabilities	-198 737	-314 874	-155 452	-1 499 032	-387 606	-484 385	-1 822 785	-963 568	-1 235 846	-1 370 504
Accumulated non-controlling interests	**61 613**	**-3 173**	**3 921**	**2 043**	**-1 486**	**-2 373**	**-13 397**	**-11 711**	**-31 013**	**28 478**
Revenues	0	0	10 374	66 133	0	136	6 293	13	45 776	105 946
Cost of revenues	-3 868	-1 412	-625	-45 967	-3 007	-365	-14 866	-2 636	-32 193	-59 772
Gross profit	**-3 868**	**-1 412**	**9 749**	**20 166**	**-3 007**	**-229**	**-8 573**	**-2 623**	**13 584**	**46 174**
Depreciation and amortization	0	0	-3 306	-12 933	0	0	-3 168	0	-10 803	-39 049
Other income/expense	-462	-112	-744	-2 397	0	0	-1 950	-789	-38 817	-3 859
Profit from operations	**-4 330**	**-1 525**	**5 700**	**4 837**	**-3 007**	**-229**	**-13 691**	**-3 413**	**-36 036**	**3 265**
Financial income	21	16 590	691	21 049	18 601	11 152	23 731	45 379	4 946	31 800
Financial expense	-1 155	-17 315	-9 374	-47 894	-22 299	-17 000	-41 926	-58 881	-27 121	-44 366
Profit before tax	**-5 464**	**-2 250**	**-2 983**	**-22 009**	**-6 705**	**-6 077**	**-31 885**	**-16 915**	**-58 211**	**-9 300**
Income taxes	0	0	552	0	0	0	-76	0	0	-3 500
Profit for the period after tax	**-5 464**	**-2 250**	**-2 431**	**-22 009**	**-6 705**	**-6 077**	**-31 960**	**-16 915**	**-58 211**	**-12 800**
Profit/(loss) allocated to NCI	-1 093	-630	-705	-6 603	-2 347	-2 249	-12 784	-7 612	-27 941	-6 400
Other comprehensive income allocated to NCI	0	0	0	0	0	0	0	0	0	0
Total comprehensive income allocated to NCI	**-1 093**	**-630**	**-705**	**-6 603**	**-2 347**	**-2 249**	**-12 784**	**-7 612**	**-27 941**	**-6 400**
Dividends paid to non-controlling interests	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash flow from operating activities	0	0	0	0	0	0	0	0	0	0
Cash flow from investing activities	0	0	0	0	0	0	0	0	0	0
Cash flow from financing activities	0	18 620	14 875	116 052	46 059	295 853	431 168	589 412	355 210	-73 447
Net cash flow	**0**	**18 620**	**14 875**	**116 052**	**46 059**	**295 853**	**431 168**	**589 412**	**355 210**	**-73 447**

29. 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 2023 is summarised below:

In thousands of CZK	31 December 2023 (before re-evaluation)	Change of fair value	31 December 2023
Investment property	14 103 779	339 646	14 443 425
Equity-accounted associates	1 179 620	-201 660	977 960
Financial investments at fair value through profit and loss	1 209 134	-3 191	1 205 943
Total	**16 492 533**	**134 795**	**16 627 328**

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 2023**	**Fair value as at 31 December 2023**	**Number of stocks as at 31 December 2022**	**Fair value as at 31 December 2022**
Investment stocks – Class A	1 929	556 657	1 818	519 499
Investment stocks – Class B	82	628 547	80	595 707
Total	**2 011**	**1 185 204**	**1 898**	**1 115 206**

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

30. OTHER CURRENT LIABILITIES

CZK '000	**31 December 2023**	**31 December 2022**
Income Tax payable	31 549	9 259
Other tax payables	5 477	2 289
Employee related liabilities	33 774	20 084
Total other current liabilities	**70 800**	**31 632**

31. PROVISIONS

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

In thousands of CZK	**31 December 2021**	**Creation of provision**	**Reversal of provision**	**31 December 2022**
Provision for tax payable	48 127	101 172	48 127	101 172
Other	21 794	37 326	21 794	37 326
Total	**69 921**	**138 498**	**69 921**	**138 498**

In 2023 the Group assessed provisions reported in previous reporting period and reclassified payable for corporate income tax expected to be paid for the current year from provisions to tax payable.
As at 31 December 2023 the Group reported provision for the elimination of ecological burden in Vestec area in the amount of CZK 18 155 thousand.

32. GOVERNMENT GRANTS

In 2023, the Group received subsidies from the State Transport Infrastructure Fund in the amount of CZK 3 878 thousand for the purpose of protecting airport traffic from illegal acts. In particular, a device for the trace detection of explosives, inspection cameras, a camera system (2nd stage), a barrier system and a demarcation system for controlling the flow of passengers were procured.

33. SHARE CAPITAL

	Number of shares		In thousands of CZK	
Shares	**31 December 2023**	**31 December 2022**	**31 December 2023**	**31 December 2022**
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 2023 and 31 December 2022, respectively. The Group has a reserve fund amounted to CZK 1 170 thousand (31 December 2022: CZK 1 170 thousand), which was created from previous profits in preceding periods.

Share capital has been fully paid.

34. 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	**2023 Revenues/Costs**	**2022 Revenues/Costs**	**31 December 2023**	**31 December 2022**
Executives	353	-609	67	609
Associates	129 449	64 873	4 407	2 833
Affiliates	9 106	29 307	1 491	247
Other related parties	276 333	661 174	317 081	-623 979
Total	**415 242**	**754 745**	**323 046**	**-620 290**

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 2023**	**31 December 2022**
Shareholders	7%	0	20 913
Shareholders	8%	155 483	0
Other related parties	7%	17 190	115 764
Other related parties	8%	3 867 648	3 554 730
Total		**4 040 322**	**3 691 408**

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 2023**	**31 December 2022**
Other related party	7%	593	115 521
Other related party	8%	159 784	50 098
Associates	7%	169 814	0
Associates	8%	817 072	1 007 491
Affiliates	7%	6 650	15 928
Affiliates	8%	169 003	106 264
Total		**1 322 916**	**1 295 302**

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.

35. 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
Industrial Center CR 4 s.r.o.	Česká spořitelna,a.s.	Financial guarantee contracts
Accolade CZ XXXIII, s.r.o., člen koncernu	MONETA Money Bank, a.s.	Financial guarantee contracts
Accolade CZ XL, s.r.o., člen koncernu	MONETA Money Bank, a.s.	Financial guarantee contracts
Accolade CZ 45, s.r.o., člen koncernu	Česká spořitelna,a.s.	Financial guarantee contracts
Accolade CZ 52, s.r.o., člen koncernu	MONETA Money Bank, a.s.	Financial guarantee contracts
Accolade CZ 61, s.r.o., člen koncernu	Komerční banka, a.s.	Financial guarantee contracts
Accolade CZ 67, s.r.o., člen koncernu	MONETA Money Bank, a.s.	Financial guarantee contracts
Accolade CZ 70, s.r.o., člen koncernu	PPF Banka, a.s.	Financial guarantee contracts
Accolade CZ 83, s.r.o., člen koncernu	Raiffeisenbank a.s.	Financial guarantee contracts
ACCOLADE BUR, S.L.	Banco Santander, S.A.	Financial guarantee contracts
Accolade SK III, s.r.o.	Trinity bank, a.s.	Financial guarantee contracts
Accolade CZ XVIII, s.r.o., člen koncernu	Česká spořitelna, a.s.	Financial guarantee contracts
Accolade CZ XVIII, s.r.o., člen koncernu	H&M Services CZ s.r.o.	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 CZ 83, s.r.o., člen koncernu	Panattoni Czech Republic Development s.r.o	Commercial relations
Accolade CZ 62, s.r.o., člen koncernu	Accolade CZ XVIII, s.r.o., člen koncernu	Commercial relations
Accolade Finance CZ, s.r.o., člen koncernu	Various entities	Commercial relations
Accolade, s.r.o.	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 Finance Valencia, s.r.o.	Various entities	Commercial relations
Accolade CZ XIV, s.r.o., člen koncernu	Various entities	Commercial relations

36. 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.
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.
Industrial Center CR 4 s.r.o.	Česká spořitelna,a.s.
Accolade Portfolio I, s.r.o. , člen koncernu	PPF Banka, a.s.
Accolade CZ XVIII, s.r.o., člen koncernu	Česká spořitelna,a.s.
Accolade CZ XXXIII, s.r.o., člen koncernu	MONETA Money Bank, a.s.
Accolade CZ XXVII, s.r.o., člen koncernu	ČSOB a.s.
Accolade CZ XL, 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 52, s.r.o., člen koncernu	MONETA Money Bank, a.s.
Accolade CZ 61, s.r.o., člen koncernu	Komerční banka, a.s.
Accolade CZ 67, s.r.o., člen koncernu	MONETA Money Bank, a.s.
Accolade CZ 68, s.r.o., člen koncernu	Trinity bank, a.s.
Accolade CZ 70, s.r.o., člen koncernu	PPF Banka, a.s.
Accolade CZ 83, s.r.o., člen koncernu	Raiffeisenbank a.s.
Accolade PL VI sp. z.o.o.	Alior Bank S.A.
Accolade PL XVII sp. z o.o.	mBank S.A.
Accolade PL XXI sp. z o.o.	Santander Bank Polska S.A.
Accolade PL XXIX sp. z o.o.	Bank Polska Kasa Opieki S.A.
Accolade PL XXXIV sp. z o.o.	Santander Bank Polska S.A.
Accolade PL XXXV sp. z o. o.	Bank Polska Kasa Opieki S.A.
Accolade PL XXXVI sp. z o.o.	Santander Bank Polska S.A.
Accolade PL XXXI 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 Polska Kasa Opieki S.A.
Accolade SK II, s.r.o.	Tatra banka, a.s.
Accolade SK III, s.r.o.	Trinity bank, a.s.
ACCOLADE VITO, S.L.	Banco Santander, S.A.
ACCOLADE BUR, S.L.	Banco Santander, S.A.

37. 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 31st December 2023, 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 31st December 2023. No revaluation was made in year of 2022 and Investment Property under Development was measured at cost.

Financial Covenant LTV (Loan to Value) was 56,64% as of 31st December 2023 , compared to 55,95% in the end of year 2022, against maximum covenant ratio of 65%. Financial Covenant Net secured & structurally superior indebtness to Value stood at 42,86% as of 31st December 2023 compared to 41,92% in the end of year 2022, against maximum covenant ration 47,5%. Equity vs Total Assets ratio was 36,46% as at 31st December 2023, compared to 39,24% in the end of year 2022 against a minimum covenant ratio of 30%.

37.1. 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 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**
Trade and other payables	1 495 225	1 007 982	-141
Loans and borrowings	943 696	13 556 877	0
Other financial 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 and borrowings	324 979	1 702 145	0
Other financial 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**

31 December 2022 (*in thousands of CZK*)	**CZK**	**EUR**	**Other**
Trade and other receivables	**1 396 571**	**574 617**	**2 088**
Non-Current assets	**1 396 571**	**574 617**	**2 088**
Trade and other receivables	75 708	98 063	19 086
Cash and cash equivalents	85 009	483 824	98 350
Current assets	**160 717**	**581 887**	**117 437**
Loans from the third parties	524 368	8 872 062	0
Trade and other payables	142 709	208 337	47
Other non-current liabilities	641 473	0	0
Non-current liabilities	**1 308 550**	**9 080 400**	**47**
Trade and other payables	526 115	1 108 619	378 281
Loans from the third parties	666 312	2 023 723	111 339
Other current liabilities	127 479	66 976	277
Current liabilities	**1 319 907**	**3 199 318**	**489 896**
Total 31 December 2022	**-1 071 169**	**-11 123 214**	**-370 419**

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 2023**	**31 December 2022**
EUR	+/- 5.0%	-/+ 20 160 857	-/+ 13 411 816
USD	+/- 5.0%	+/- 318	-/+ 619
PLN	+/- 5.0%	+/- 8 423	+/- 95 599
HRK	+/- 5.0%	n/a	+/- 16

37.2. 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.

37.3. 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 2023 and 31 December 2022, 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.

37.4. 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 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**

31 December 2022 *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	0	2 801 375	8 396 511	999 920	12 197 805
Other financial liabilities	21 625	173 106	191 186	450 288	836 205
Trade and other payables	1 246 615	766 400	351 093	0	2 364 108
Total	**1 268 240**	**3 740 881**	**8 938 790**	**1 450 208**	**15 398 118**

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.

37.5. 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 2023	31 December 2022
Interest-bearing loans and borrowings	16 527 697	12 197 805
Trade and other payables	4 600 639	2 364 108
Less: cash and short – term deposits	751 439	667 183
Net debt	**20 376 897**	**13 894 730**
Equity (i.e.. Net assets)	10 684 748	9 943 009
Net debt and Net assets	**31 061 645**	**23 837 739**
Gearing ratio	**1,52**	**1,72**

38. 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)	
			2023	2022	2023	2022
FX Forward	12 000	28 March 2024	18 354	15 286	3 068	15 286
Interest rate swap	10 000	31 March 2027	6 960	14 516	-7 556	14 516
Interest rate swap	3 425	10 September 2026	3 887	0	3 887	0
Interest rate swap	5 690	31 August 2027	2 492	0	2 492	0
Interest rate swap	46 000	16 September 2030	-81 281	0	-81 281	0
Interest rate swap	7 592	27 September 2028	-9 163	0	-9 163	0
Interest rate CAP	8 050	23 January 2029	4 009	0	4 009	0
Interest rate CAP	10 500	29 May 2026	1 893	0	1 893	0

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 2023	31 December 2022
Interest rate derivatives - cash flow hedges	19 240	17 729
Forward foreign exchange contracts – cash flow hedges	18 354	15 286
Total derivative financial assets	**37 594**	**33 015**

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

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**

31 December 2022 *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	17 729	0	17 729
Forward foreign exchange contracts	0	0	15 286	0	15 286
Total	**0**	**0**	**33 015**	**0**	**33 015**

Derivative financial liabilities

In thousands of CZK	31 December 2023	31 December 2022
Interest rate derivatives - cash flow hedges	90 443	0
Total derivative financial liabilities	**90 443**	**0**

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

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
Total	**0**	**0**	**9 163**	**81 281**	**90 443**

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

39. 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, 2023, key management comprised of 7 people (2022: 6).

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

In thousands of CZK	31 December 2023	31 December 2022
Salaries and short-term employee benefits	13 116	13 334
Total	**13 116**	**13 334**

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 2023	31 December 2022
Bonus accrual	0	0
Total	**0**	**0**

40. EMPLOYEE INFORMATION

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

Business line	31 December 2023	31 December 2022
Development	32	23
Airport	217	186
General and administrative	66	54
Total	**315**	**263**

Employee benefit expenses:

In thousands of CZK	31 December 2023	31 December 2022
Wages and salaries	220 784	177 301
Social security and health insurance	66 948	50 831
Social cost	6 268	4 923
Other	1 116	2 670
Total	**295 116**	**235 725**

41. 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 2024 with 100% ownership of Accolade Holding a.s. :

Company name	Establishment date	Country
Accolade CZ 86, s.r.o., člen koncernu	04.04.2024	Czech Republic
Accolade CZ 87, s.r.o., člen koncernu	04.04.2024	Czech Republic
Accolade CZ 88, s.r.o., člen koncernu	04.04.2024	Czech Republic
Accolade CZ 89, s.r.o., člen koncernu	04.04.2024	Czech Republic
Accolade CZ 90, s.r.o., člen koncernu	04.04.2024	Czech Republic

Accolade Ostrov South, s.r.o., člen koncernu was acquired on 26 January 2024 (Czech Republic). The parent company is Accolade CZ 78, s.r.o., člen koncernu, which is fully owned by Accolade Holding a.s.

The majority interest in the company Accolade CZ 83, s.r.o., člen koncernu was sold to JV partners on 24 May 2024. The remaining share of Accolade Holding a.s. is 20%. This enity was classified as held for sale in the Financial Statements (see Note 21).

Accolade Finco Czech 1, s.r.o. issued 5-year senior bonds secured by the financial guarantee of Accolade Holding, a.s. in the nominal value of 3 000 000 000 CZK in June 2024. The nominal value of one Bond is CZK 10,000 and interest rate is 8% p.a. Bonds are trading 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 separate Financial Statements.

42. 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 2023 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 2023 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: 2024.06.27 18:10:49 +02'00'

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Milan Kratina
Member of the Board, CEO
Accolade Holding, a.s.

Ing. Zdeněk Šoustal

Digitální podpis: 27.06.2024 20:51

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Zdeněk Šoustal
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Accolade Holding, a.s.

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V Parku 2316/12
Prague 4
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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) 28645065 (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 2023, 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 2023 to 31 December 2023 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 2023 and of its consolidated financial performance and its consolidated cash flows for the period from 1 January 2023 to 31 December 2023, 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

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: 2024.06.28 15:20:46 +02'00'
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