Annual Report 2023–2024

TRIKAYA

Annual Report 1 July 2023 – 30 June 2024

Inspired architecture. Exclusive locations.
The highest quality in all facets of construction.

We Are **Trikaya.**

We strive to achieve the perfect balance in every project.

01

Group Introduction

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Ladies and Gentlemen,

We are celebrating our 15th anniversary, and over that time we are proud to have completed a series of high-quality projects that have contributed to Brno's development and evolution. We are equally proud to have worked with respected architects, and I am happy to report that more projects are on the way. Trikaya's finances are robust, and the company is in ideal condition for further dynamic growth.

How would I summarize the period covered in this report? In residential construction, the Brno market awoke from a slumber in 2024 after a period of inflation and higher mortgage rates. Delayed demand pushed the number of new flats sold in Brno up to 1,300, a trend we expect to continue despite rising new home prices. The math says it all: We sold our first units in Brno for CZK 36,000/m² at a time average wage was nearly CZK 24,000/month. Today, new units in Brno cost around CZK 130,000/m², but the average wage is just under CZK 44,000/month. That means the number of annual salaries needed to purchase a new flat has doubled in the 15 years we've been on the market! At Trikaya, we are working to ensure our units are as accessible as possible for those looking for a new home. For example, we offered a co-op model for some our units in the Čtvrť Pod Hády project, and the Rezidence Písky project in Blansko will partially be built on municipal land. Cooperation between the private sector and local governments with the support of the state is certainly one way to make living more accessible. Another is simple economics: Build more and approve projects faster to create more supply, but that isn't happening. Trikaya is prepared to launch construction on hundreds of new residential units that are waiting for permits. New construction legislation has not accelerated the process, and the rushed digitalization of the permitting process only complicated the work of developers and officials alike.

In terms of commercial centres, we completed the sale of the OC Řepy shopping centre in Prague, and we planned and launched another round of investment into Brno's Futurum to make it the most modern shopping centre on the south side of Brno. We continue to believe in the retail sector and are monitoring the market for opportunities to expand our portfolio. In the office segment, we have sold the long-prepared and finally permitted Landmark building in downtown Brno.

In terms of Trikaya's finances, we continued to reduce the company's debts, continuing towards the goal of strengthening and diversifying equity resources while still offering investors attractive opportunities and debt instruments as secondary financing for specific projects.

Finally, I would once again like to thank everyone that contributed to our work and without whom our success would be impossible: our colleagues and all our partners, as well as our investors who give us their trust. I wish you and your loved ones all the best in today's turbulent world and look forward to all the work ahead of us.

DALIBOR LAMKA
Chairman of the Board

Trikaya in Brief

Trikaya is a group of companies that work together to invest into and build real estate in the Czech Republic with a focus on the country's second city, Brno. The company was founded in 2010 and originally developed residential properties. Currently, the group also invests into large shopping centres as well as residential construction.

387

Residential units completed and sold

More than 1,400 new units being prepared.

33,200 m²

Rental space in our portfolio.

Trikaya's successful projects include the Erasmus residence, the Neumanka apartment buildings, and three phases of the Ponavia rezidence. Trikaya also owns and operates the large and completely updated OC Futurum shopping centre in Brno, and recently divested itself of the OC Řepy in Prague after a successful renovation. The group's largest ongoing project is the residential Čtvrť Pod Hády, which will bring over 1,000 units to Brno in new apartment buildings and villas.

The first stage of Čtvrť Pod Hády with its 167 homes and 200 underground parking spaces is currently on sale and is expected to undergo final inspection at the end of 2025. Our Rezidence Písky Blansko project is also coming down the pipeline with its more than 400 new homes.

Trikaya, which is owned by Trikaya Asset Management a.s., currently has more than 15 companies in its structure. Trikaya Project Management a.s. is the service company for individual projects, managing the entire group and its projects within a transparent ownership structure.

Trikaya provides administrative services for all its completed projects, including operating homeowners' associations. We take pride in our customer service, and sales are never outsourced to an external agent. We have our own experienced in-house team that prepares and then realizes sales in all of Trikaya's projects. The team also gathers and processes data on the residential market to provide the latest information.

Trikaya's long-term goals include consistent growth and a gradual improvement of standards in all segments where we are active. We may not construct every building, but we're well-aware that we're helping to build a city as a cohesive and functional unit. We work with the most prestigious architects including Kuba & Pilař, RAW, KOOGA, A69 architekti, and Zdeněk Makovský & partneři. We offer our residential and commercial clients new opportunities and options for investments into real estate and their own businesses. Our approach fosters exceptional loyalty among our satisfied customers who repeatedly return and praise the innovative solutions we implement in our projects.

Sustainability and the latest trends in green construction are deeply important to us. Together with major Brno institutions, companies, and Brno City Hall, we signed the Memorandum on Reducing CO2 Emissions. Our Čtvrť Pod Hády project places a heavy focus on the environment with generous green spaces in public areas, zones for active relaxation, and a high level of overall sustainability. We use green roofs, water retention systems, and natural materials in all our residential projects, and we install solar panels on all our existing and future projects.

Trikaya analyses and publishes a quarterly analysis of the Brno real estate market, providing the most detailed and precise data available about new housing in the Czech Republic's second city for more than a decade.

In our 15 years, we have proven to be a trustworthy and reliable partner that cares about the environment it is helping to create. These values have always been crucial for us, and we're grateful our clients value and reflect our efforts. Our goal is to continue to strengthen that trust and gradually bring back the prestige our industry had in the past

Our Vision

Trikaya's long-term vision is to constantly upgrade the standards in all segments where we're active. Over the past fourteen years, we have established ourselves as a trustworthy and reliable developer who cares about the environment we're helping to create. These values have always been crucial for us, and we're grateful that our clients reflect and appreciate that fact. We will continue to strive to deepen the trust we've earned and gradually help return prestige to the sector.

We base our approach to development on three pillars: **architecture**, **quality**, and **location**. This allows us to offer innovative and high-quality projects which provide our clients with value and sustainable development that benefits all of society.

The word Trikaya originally means a balance between the body, mind, and soul. Our vision is to transpose this philosophy into our business and create structures that will be find a perfect balance between architecture, quality, and location.

ARCHITECTURE

We place an emphasis on harmony of function and aesthetic value, unique and innovative approaches, and a sense for the surrounding environment.

To offer our clients a standard comparable to countries where high-quality architecture is a tradition, we work with the most respected architects.

Our carefully selected partners combined with our values have led us to numerous awards and recognition from experts and the public alike, as well as from long-term users.

QUALITY

We're convinced that the way to achieve truly exceptional results is to ensure the highest quality in each and every step. This approach influences all facets of our work from the initial idea to the finished building.

We seek out the highest quality construction materials. The sand-lime bricks used in many of our projects meet standards for passive and energy-efficient buildings.

Maintaining the highest standards for sustainability is a matter of course: assuring the long life of our buildings, using space effectively, minimizing the environmental impact of construction, and creating healthy spaces that provide a high standard of living at affordable prices.

LOCATION

When finding localities for our projects, we focus on uniqueness, certain genius loci, and a location that offers a high standard of living with sufficient employment opportunities.

We're convinced that robust infrastructure, availability of services, and close proximity to natural beauty have a fundamental influence on the lives of those who live and work in our buildings.

Whether it's a prestigious residential area, former industrial zone, the historical centre of a city, or the outskirts of a nature preserve, we always strive to build structures that fully utilize the potential of their location and surroundings, and enhance the attractiveness of the locality.

3

Our vision is based on three fundamental pillars.

Main Strategic Goals for 2025-2027

Trikaya's strategy for the coming three years is based on the proven principles that fed our successful growth and built a strong real estate development brand. The key pillars remain sustainability, innovation, and effectiveness. We continue to place an increasing importance on new technologies, digitalization, and responsibility to the wider ecosystem – from our investors and clients to local communities and the environment.
These principles lead to bold but realistic steps that will allow us to retain our strong position on the market while becoming a leader in sustainable and technology-enabled development. Our focus on innovation, effectivity, and sustainable development will lead to further growth and responsible expansion.

ALEXEJ VESELÝ
Vice-Chairman
of the Board

1. PORTFOLIO TRANSFORMATION AND CAPITAL STRUCTURE OPTIMIZATION

We will continue to identify opportunities to increase the value of our assets through the modernization and adaptation of properties to meet the market's current demands.

New emphasis on portfolio flexibility: The goal is to have a balanced mix of long-term and short-term investments that will allow us to quickly react to fast-changing economic conditions.

A gradual reduction in our dependence on external financing while building financial stability through the more effective management of capital flows.

2. STRATEGIC PARTNERSHIPS AND NEW MODELS OF COOPERATION

We are strengthening cooperation with municipalities, investors, and other developers with the goal of creating intelligent and sustainable urban communities.

New forms of joint ventures: Leveraging co-development models and co-financing in selected projects with a goal of diversifying risks and sources of financing.

Strengthening relationships with technological companies and startups to integrate the latest innovations into our projects.

3. MOVE TO CARBON NEUTRALITY AND CLIMATE-POSITIVE CONSTRUCTION

From sustainable projects to carbon neutrality and climate-positive buildings: We will focus on implementing the latest technologies to achieve maximum effectiveness in terms of energy conservation.

Employing the circular economy in construction: An emphasis on recycling materials, minimizing construction waste, and the effective use of renewable resources.

Further development of roof-top gardens and green roofs, water retention elements, and smart facades to improve urban microclimates.

4. INTELLIGENT PORTFOLIO DIVERSIFICATION

Continue to expand our portfolio across various segments (residential, commercial, mixed use), while adding flexible living and multi-purpose spaces that can be adapted according to current trends.

Development of projects focused on senior living and co-living concepts to reflect demographic and lifestyle changes.

Entering the brownfield development segment and renovating dilapidated urban properties.

5. A NEW APPROACH TO MARKETING AND BRANDING

Data-management marketing: Using advanced analytics and AI to create targeted campaigns and personalized communication with clients.

Expand direct communication with customers through interactive platforms and virtual reality.

Create a premier customer experience – from first contact to property management.

6. RISK MANAGEMENT AND RESILIENCE TO MARKET FLUCTUATIONS

Employing new tools to predict market changes using big data and analytics in real time.

Build flexible business models that can be adapted during different phases of the economic cycle and at times of extreme market turbulence.

Protection of investments through wider geographic diversification and hedging against macroeconomic risks.

7. DIGITALIZATION AND PROPTECH-ENABLED INNOVATION

We're expanding the use of digital building twins, which allows for more effective property management, lower operating costs, and more user comfort.

Automatization of construction processes and using modular construction to accelerate the building process.

Greater interconnection between our projects and proptech technologies such as smart sensors, IoT, and blockchains employed in contract management.

8. REACTION TO DEMOGRAPHIC TRENDS AND CHANGES IN SOCIETY

Development of affordable living projects in cooperation with municipalities and non-profit groups.

Innovative community concepts: An emphasis on integrating living, working, and free-time environments in a single ecosystem.

The development of 15-minute cities where residents have everything they need within 15 minutes on foot or by bike.

9. IMPROVING THE CUSTOMER EXPERIENCE AND POST-SALES SERVICES

An individual approach to customers: Expanding options for adapting interiors as well as a wider selection of flexible financing.

New property management services including smart resident apps for improved interactions between owners and property managers.

Digitalization of customer support and employing interactive platforms to smooth the entire process.

10. NEW DIRECTIONS, INNOVATIONS, AND TECHNOLOGY TRENDS

Experimental and pilot projects: Pilot testing new technologies on a small scale before wider deployment.

The use of AI and machine learning for preventive maintenance and operation optimization.

Investments into property technology start-ups with the goal to pioneer innovation in the industry.

Company History

Trikaya was formed in 2010 as a subsidiary of an international group of finance and real estate companies. The original parent company, Trikaya Asset Management, was registered in Luxembourg and provided the financial resources for the first projects in the Czech Republic.

15 Years on the Market

More than 15 years of housing development and real estate investment experience.

The first successfully completed project was the construction of the Erasmus, a residence built in cooperation with the Brno University of Technology that provided a new standard of living in downtown Brno. This modern complex with 78 units offered superior standards including a reception area offering services to residents. The success of Erasmus was the first sign of Trikaya's bright future.

During its first three years, Trikaya worked tirelessly on lucrative acquisitions that would fuel future growth. The company acquired the expansive former Ergon facility in Brno-Maloměřice, the former UP factory in Brno-Královo Pole, and later the last plot zoned for construction in Brno's exclusive Masarykovo neighbourhood.

The Ponavia project build on the brownfield in Královo Pole was the first of these acquisitions to be completed, offering a modern residential building with 78 units. The innovative masonry using sand-lime bricks and superior design helped the building receive an A energy efficiency rating, the first of its size to achieve this level in Brno. Ponavia was also a commercial success with all units sold three months before final inspection at the end of 2016. The second stage of construction then offered another 104 units, 7 commercial spaces, and 6 townhouses that were all sold before final inspection.

In 2015, Trikaya became independent from its foreign investors and transformed itself into the parent company of the entire financial group under the name Trikaya Asset Management a.s. This change facilitated new project financing and investment options. The group also opened itself up to smaller investors and issued its first investment bonds in the same year. In 2015, Trikaya became one of the founding members of the Association of Brno-Based Architects and Developers and works with the city to solve housing-related problems.

After years of effort, a zoning decision was issued in 2017 to build exclusive residential homes in the Masarykovo neighbourhood of Neumanka, and construction launched 2018 was successfully completed in 2020.

Considering the long-term uncertainly in preparing residential projects where permitting processes regularly last more than eight years, Trikaya decided to diversify its portfolio in 2017 with two large acquisitions: the Řepy shopping centre in Prague and the Futurum commercial centre in Brno. The goal of these acquisitions was to tap into a stable revenue stream from leases that are less dependent on the development of the residential market and to leverage our knowledge as a real estate developer. An extensive renovation of the Futurum began in 2020, which included a complete upgrade of the exterior and interior while adding 4,000 square metres of new commercial space. The modernization of OC Řepy in Prague was launched in October

2020 and work continued despite the complications caused by the coronavirus pandemic. The renovation of the Futurum was completed in the first half of 2021, while the upgrade to OC Řepy was finished in April 2022.

Another significant acquisition was the complex in Železnične in Brno that took place in December 2018. The planned project includes developing the locality as part of the southern district of Brno alongside the announced move of the main train station into the area.

Trikaya's first residential project outside Brno was in Blansko, where cooperation with the HOPA group has led to the planned construction of new residential units near the Písečná neighbourhood. The project also includes more than 600 new parking spaces and other amenities.

The third phase of the Ponavia rezidence project began in 2022 and final inspection took place in the first quarter of the 2023, bringing another 72 residential units to the market.

Trikaya launched construction on Čtvrť Pod Hády, one of the largest residential projects in Brno, in Q3 2023. This new neighbourhood with more than 1,000 residential units is growing up in place of the old and dilapidated Ergon factory in Maloměřice and Obřany. The completion of the first phase is planned for the end of 2025.

The first stage of the project that includes 167 new homes in 8 buildings with 186 underground parking spaces is currently on sale. Most units have their own customizable balcony, terrace, or garden. The final inspection of the first stage is planned for the end of 2025.

At the end of February 2024, Trikaya sold the Landmark Office Building project to SUDOP Real a.s., which now owns the plot and its valid construction permit.

The OC Řepy shopping centre was also sold at the end of July 2024 to investment fund PRAGORENT.

5

Billion CZK

The amount expected to be invested into the current pipeline of projects.

Trikaya Group Structure

TRIKAYA Asset Management a.s.

- 100 % TRIKAYA Project Management a.s.
  - 33 % Bytové družstvo Čtvrť Pod Hády I
- 100 % Trikaya nemovitostní fond SICAV, a.s.
- 100 % AIKONA, a.s.
- 80 % Mall Vienna Brno a.s.
  - 100 % Euro Mall Brno Real Estate, s.r.o.
- 100 % Trikaya RRE a.s.
  - 100 % PONAVA CENTRUM a.s.
  - 100 % Čtvrť Pod Hády a.s.
    - 100 % Čtvrť Pod Hády I s.r.o.
    - 100 % Čtvrť Pod Hády II s.r.o.
    - 100 % Čtvrť Pod Hády III s.r.o.
    - 100 % Čtvrť Pod Hády IV a.s.
    - 100 % Developer Brno Hády a.s.
    - 33 % Bytové družstvo Čtvrť Pod Hády I
- 100 % NEUMANN bytový dům a.s.
- 100 % PONAVIA REZIDENCE III a.s.
- 100 % ABILET Company s.r.o.
- 100 % Železniční Komárov s.r.o.
  - 100 % První Železniční Komárov s.r.o.
  - 100 % TRIKAYA Project Kalová s.r.o.
- 96,5 % Trikaya CRE a.s.
- 100 % Trikaya Ponavia Finance a.s.
  - 100 % Trikaya Ponavia IV s.r.o.
- 100 % TRIKAYA Energy s.r.o.
  - 50 % Čtvrť Pod Hády Energy s.r.o.
  - 100 % Trikaya Energy A s.r.o.
  - 100 % Trikaya Energy B s.r.o.
- 33 % Bytové družstvo Čtvrť Pod Hády I

Current as of 30 June 2025.

Dalibor Lamka

EXECUTIVE DIRECTOR AND
CHAIRMAN OF THE BOARD

Mr. Lamka founded Trikaya in 2010 after returning from Switzerland where he worked in banking and was a partner in companies specializing in investment projects in Central and Eastern Europe after 1989. For years, he has been interested in sustainable and affordable living in combination with modern architecture and urban planning.

Alexej Veselý

EXECUTIVE DIRECTOR AND
DEPUTY CHAIRMAN OF THE BOARD

After obtaining his degrees from the Brno University of Technology and the Prague University of Economics and Business, Mr. Veselý worked for Hochtief CZ in 2000-2007, first in finance and then as a residential development project manager. He was a regional director for Orco Property Group in 2007-2009 and has been at Trikaya since 2010. He ensures the application of new trends and standards into the group's projects. Furthermore, he received a doctorate in construction economics in 2022.

ESG – Our Sustainability Pledge

In 2023, Trikaya made the ambitious pledge to fully decarbonize its operations and real estate portfolio by 2050. This obligation is based on our long-term vision to build sustainable buildings and anticipates future European construction and climate legislation. Our promise of sustainability is confirmed in our first ESG report prepared in cooperation with Frank Bold Advisory, which summarizes Trikaya's ESG plans and goals for the future.

2030

We want to achieve purchasing 100% of the energy we use from certified renewable resources by 2030.

We are cognizant of the fact that real estate development significantly influences the landscape, the use of natural resources, energy, and the quality of life in the areas where we develop our projects. To maximize positive effects in all these aspects, we respect ethical and sustainable business principles and fully accept our environmental, social, and corporate responsibilities.

An active approach to protecting the environment and maintaining a comfortable climate has been a component of our projects from the beginning. We also rigorously implement fair employment policies, and we ensure our business brings added value to our localities and their residents.

"We pledge to be climate neutral by 2050. We have calculated the greenhouse gas emissions associated with our business and used that as a base to set incremental goals to gradually reduce emissions in the coming years," Trikaya Executive Director and Chairman of the Board Dalibor Lamka said. Our complete sustainability strategy is elaborated in our ESG report, and we have excerpted several specific solutions and goals across all three pillars here.

33.6 m^3

The amount of rainwater used at OC Futurum in 2023-2024.

ENVIRONMENTAL AND CLIMATE PROTECTION

Energy Efficiency
All our new buildings are constructed with an energy efficiency certificate of B or better. We always strive to exceed regulatory norms in all new projects to achieve a higher standard of efficiency according to European sustainability taxonomy. In our current portfolio of long-term properties, we plan to maintain an average of C certification, or "energy efficient". We also have plans to upgrade the older buildings we acquire to the C category or better.

B

All new buildings certified B for energy efficiency.

Renewable Energy Resources
Our goal is to smoothly transition to the exclusive use of energy from certified renewable sources. We thus plan to gradually increase the share of renewable energy used at our properties and install the maximum renewable generation capacity possible in the buildings we operate and build. We also map the possibilities for investments into renewable resources, which factors into our acquisition decisions. We also founded Trikaya Energy as a vehicle for our investments into renewable resources.

Low-Emission Construction
We use recycled and re-used construction materials to reduce the consumption of new resources, and we replace materials with large carbon footprints with more sustainable materials.

Low-Emission Transportation
We strive to minimalize the impacts of new development in terms of the fuel consumed and the greenhouse gasses produced by vehicles. All new and some existing properties are equipped with infrastructure for low-emission modes of transportation, including EV charging stations. We also actively promote the use of public transportation at our projects in cooperation with local governments and municipalities.

10

EV charging stations installed for the residents of the Ponavia III residential building. Dozens of charging stations will also be installed in all our prepared projects together with hundreds of bike stands.

71 %

The percentage of projects planned for brownfield sites.

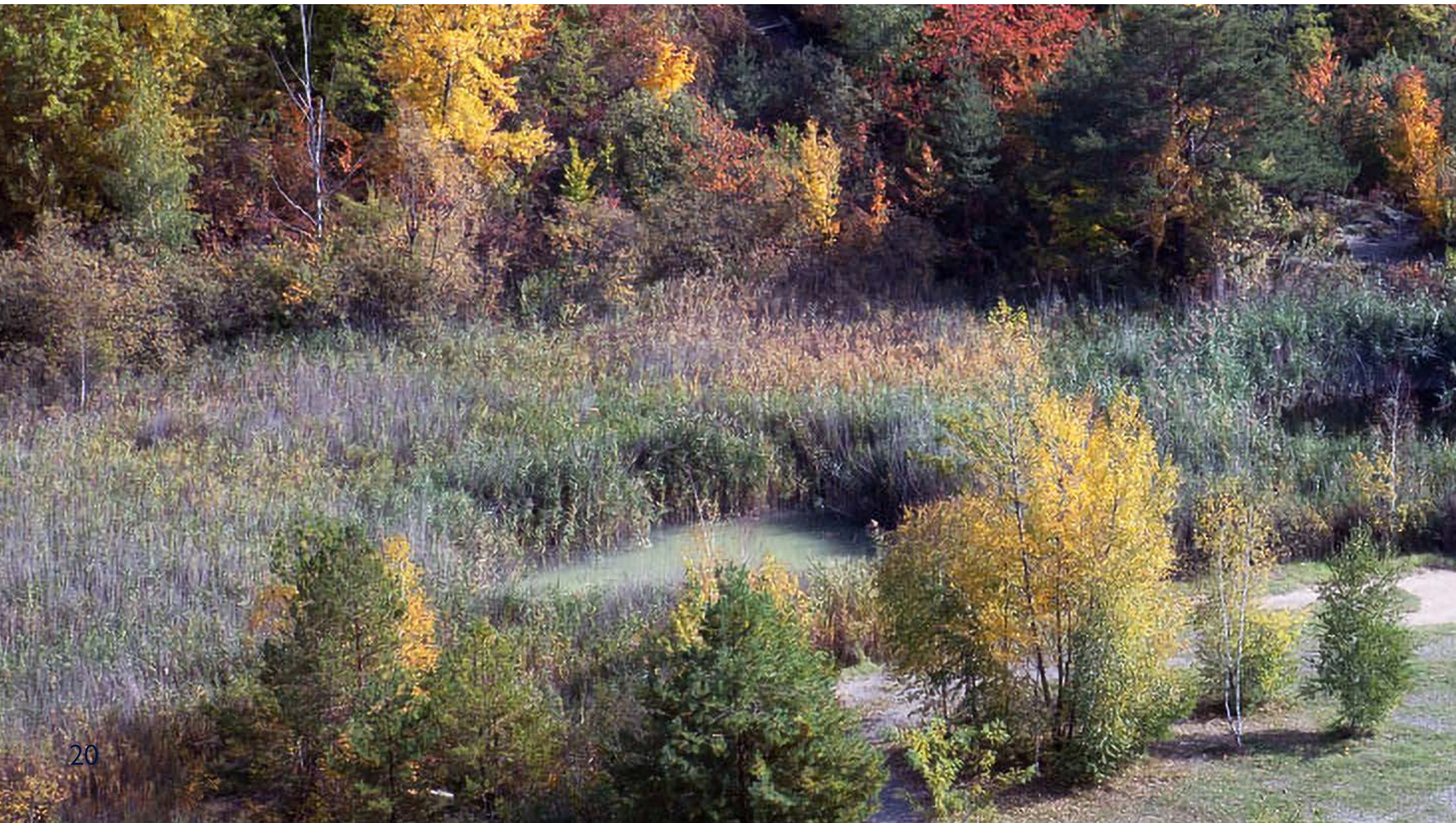
Limiting and Preventing Pollution
We always consider the impacts of our projects on their immediate surroundings. We strive to limit pollution in all steps of the construction project and demand the same from all our contractors. We also inspect brownfield sites for contaminants before launching work.

Support for Biodiversity
We prefer brownfields over biologically valuable land when selecting a locality. If we have a site close to an area valuable for its biodiversity, we take specific steps to minimize the impact of construction based on expert analyses of the situation on the ground. In accordance with best practices, we implement green roofs, terraces, and plant greenery that foster biodiversity and help prevent buildings from overheating to maintain comfortable conditions for residents. Our goals also including protecting sources of water close to our new and existing properties.

Effective Waste Management
Assuring effective recycling at our properties is a matter of course. We are gradually working on re-purposing construction materials acquired through building or demolition, and our goal is to utilize 70% of construction waste for recycling or re-use. We also work with several contractors to limit construction waste in general.

AFFECTED COMMUNITIES AND END USERS

Developing Urban Areas and Increasing User Comfort
We begin communicating with local authorities in the earliest project planning stages, identifying and discussing the needs of local communities and how the project can react to them. We naturally include urban infrastructure elements and areas to spend free time. We work with renowned architects to provide for these needs while meeting the highest customer expectations. We also allow all our clients to personalize their units. We work towards BREEAM certification for all the commercial buildings we lease, which serves as proof of sustainability and the highest level of quality around the world.



Corporate Ethics
We have zero tolerance for corruption and bribery, and we support ethical business practices as clearly defined in our employment policies and contracts with suppliers.

FAIR EMPLOYMENT POLICIES

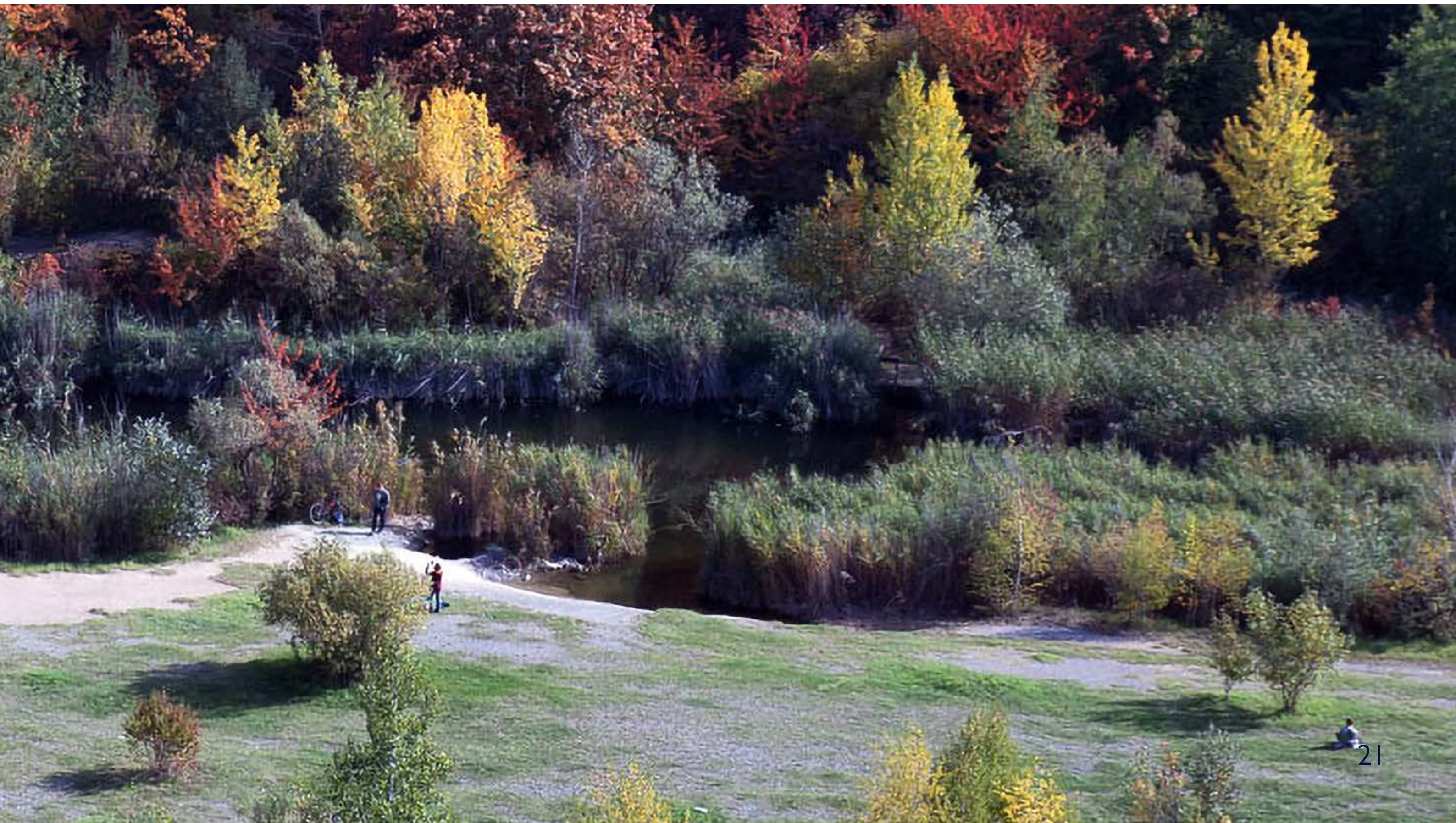
Work Conditions
We provide our employees with excellent working conditions in an open and non-discriminatory environment. We have zero tolerance for discrimination, violence, and harassment in the workplace. As a rule, we respect the human rights of our employees, and we obligate our suppliers to do the same.

Safety and Security
Safety and security are vital. We strive to make work as safe as possible to avoid accidents and illnesses among our employees, our contractors at construction sites, and facility management personnel. We have contracted a work safety coordinator for our sites, and we obligate our suppliers to uphold all work safety regulations in contracts.

Listening to Employee Needs
We lead a regular dialogue with our employees and support an Open Door Policy. We hold a meeting for all constant staff twice a month where people can raise any topic, idea, or request to improve the working environment. We also installed a complaint process in 2024 where employees can report violations of our policies, rights, or unfair treatment to their superior or the HR department. If they are not satisfied with the solution, they can appeal to the management board.

Ethics and Corporate Values
We adopted a new Code of Ethics in February 2024 that sets down the principles of fair and responsible behaviour with business partners, public authorities, and within the company. The code defines rules for conflict of interest, bribery, gifts, personal data protection, and equal treatment.

Equal Compensation
We strictly believe that equal work deserves equal pay. All gender wage discrepancies are solely influenced by objective factors such as type of work, etc.



New Housing Market Analysis

QUARTERLY ANALYSES

For over a dozen years, we have regularly analysed Brno's real estate market and created a detailed quarterly study mapping the prices and sales of new housing in the city, this publication is currently the most detailed and most precise analysis of its kind in the Czech Republic's second city.

Three key parameters have been monitored since 2013: the number of new residential units sold, the average offering price per square meter, and the average sale price per square meter. The analysis focuses on new residential housing in Brno, but some parameters also include other cities in the region such as Hodonín, Boskovice, Vyškov, Adamov, and Znojmo.

These quarterly reports offer an interpretation of the data, place it into context, evaluate developments over time for individual indicators. It also presents Trikaya's opinion about the data as well as commentary from independent economists, a short-term outlook, and it evaluates the current trends on the market.

Trikaya's quarterly analyses are often cited by local, regional, and national media along with those from companies such as Trigema, Skanska, and Central Group that monitor the residential market in Prague. They also help the public understand how the Czech new housing market is developing.

In 2023, these Brno real estate market reports were supplemented by our specialized website at www.analyzy.trikaya.cz, which was launched to mark a decade of our monitoring. The website offers current data, an archive of the published analyses, and interactive charts that display the most important indicators over more than a decade.

THE BRNO MARKET IN 2023

2023 saw the lowest amount of new residential units sold since Trikaya began monitoring the market in 2013. At just 492, 2023 saw a 20% year-on-year decline from 618 units sold in the previous year. It's also a 59% drop from the 1,192 units sold in 2021. The numbers for 2022, which saw the steepest decline, were at least buoyed by sales in the first quarter with 188 units sold in January alone (which was also more than the second half of the year combined).

If we compare the second halves of 2022 and 2023, then the latter saw 61% higher sales. The market's revival at the end of 2023 could be seen in monthly sales totals where every month recorded a higher total than the previous one in the second half of the year with the exception of November. This marked the return of delayed demand caused by problems with financing and consumer uncertainty. Prices for new housing remained stable throughout 2023. Offer prices were at an average of CZK 125,000-CZK 127,000 per square meter, which means a standard 2+kk unit in Brno cost about CZK 6.5 million in 2023.

THE BRNO MARKET IN 2024

The Brno market returned to strength in 2024. From a record low sales total in 2023, a total of 1,298 new units were sold in 2024, which is nearly 200 units more than the previous two years combined and the highest yearly total since 2016. The fourth quarter alone recorded 405 units sold, which made it the best performing Q4 on record and the third-best quarter overall.

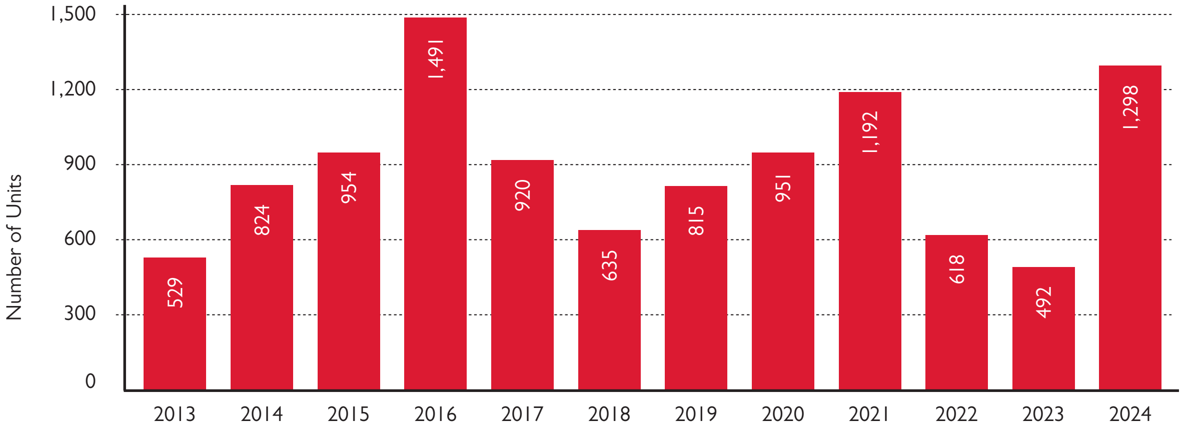
Demand surged despite rising prices: The average sale price of a new unit reached CZK 126,000 per square meter, while the average offering price exceeded CZK 129,800 per square meter, translating to a record of over CZK 8 million for the average new unit. While there were nearly 1,900 new units on the market in January 2024, there were only about 1,400 for sale at the end of the year. The largest decline in availability was among 1+kk a 2+kk units, which saw high demand throughout the year, while the number of 3+kk and larger units remained steady. The largest number of new units came to market in September.

In summary, 2024 marked a fundamental reversal in market development both in terms of sales volumes and rising demand, all despite record-high prices.

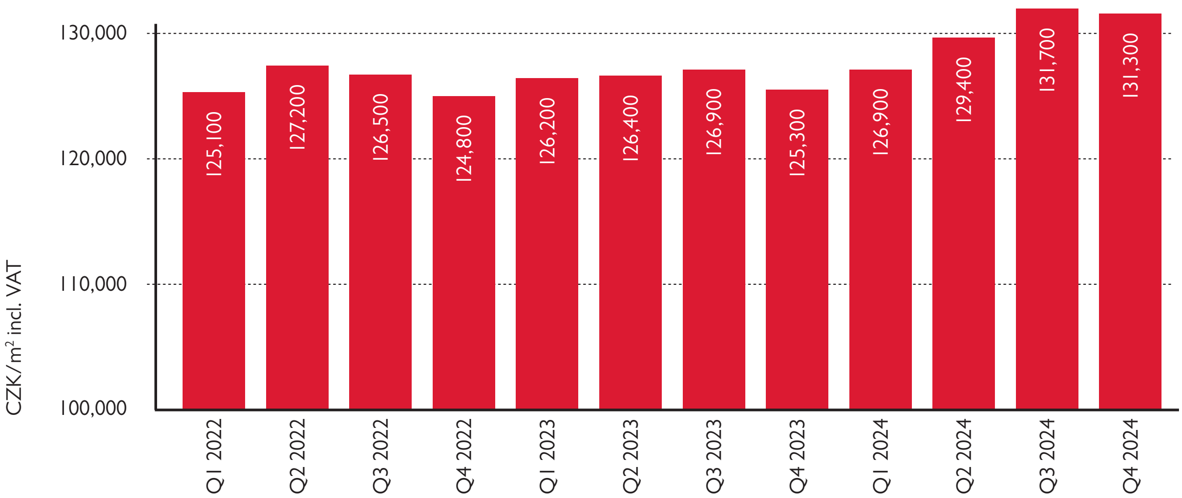
160 %

The sale of new units rose 160% year on year.

Number of residential units sold in Brno
(2013–2024)



Average asking price per square meter for new housing in Brno



02

Our Projects

Quiet Living Close to the Historical Centre

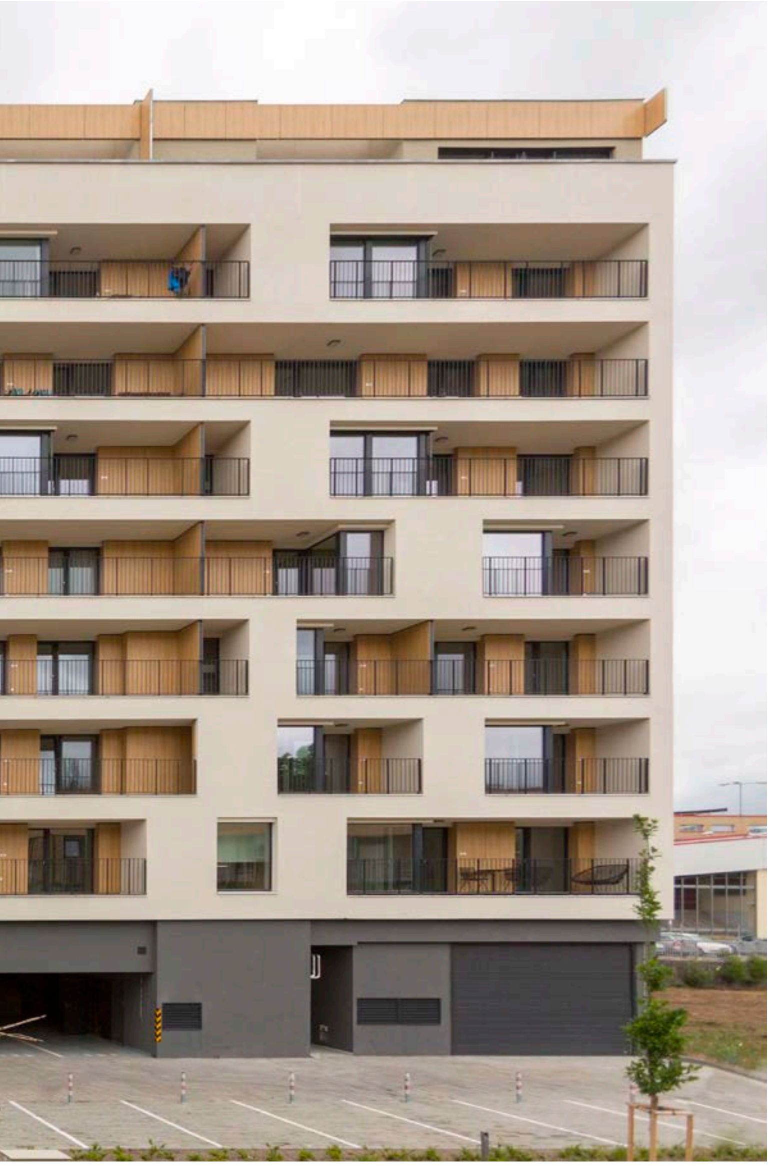
Erasmus Residence is a modern residential complex with 78 units close to the heart of Brno's historical centre completed in November 2011.

The project offers comfortable living in apartments of several sizes, from smaller 1 bedrooms to spacious 4 bedrooms. Each apartment has its own balcony, loggia or terrace. Erasmus Residence is located almost in the centre of Brno on Hrnčířská Street. The distance to the city centre is only 8 minutes. In the vicinity there are important universities such as the University of Defence, MU Faculty of Law, MU Faculty of Informatics and Faculty of Civil Engineering VUT. The project was practically 100% sold before completion. The superior amenities in the Erasmus Residence appear not only inside the residential units, but also in the common areas of the entire building. The apartment complex also includes a private terrace in the courtyard with a barbecue area and relaxation corners.

The First Stage of the Successful Královo Pole Project

The first stage of the **Ponavia Residence** project offered 80 new units close to the centre of the city in Brno's Královo Pole neighbourhood.

A new building with underground parking and a green courtyard was built instead of a dilapidated and abandoned factory. The apartment house has 80 units with layouts from 1 bedroom to 4 bedrooms. Thanks to the use of modern construction technologies, energy class A was achieved, so the building is extremely economical. The project is located in a very good location close to the city center, only 700 metres from the main city park Lužánky. The surrounding area has all civic facilities and transport services. The Ponavia Residence project won the 2015 Real Estate Project of the Year award for the South Moravian Region. Proof of the quality of the project is evident in its commercial success – all apartments were sold just a few months before the building was completed in December 2016.



Residential Project Complemented by Exclusive Townhouses

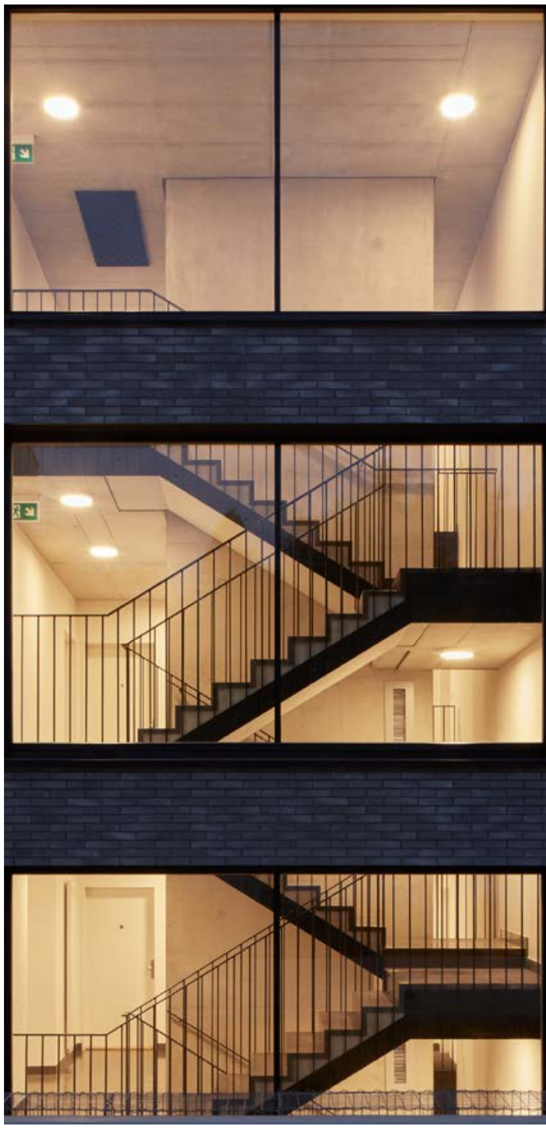
The second phase of the highly successful **Ponavia Residence** project follows the first stage of construction in a different architectural concept. It offers 104 residential units as well as six townhouses.

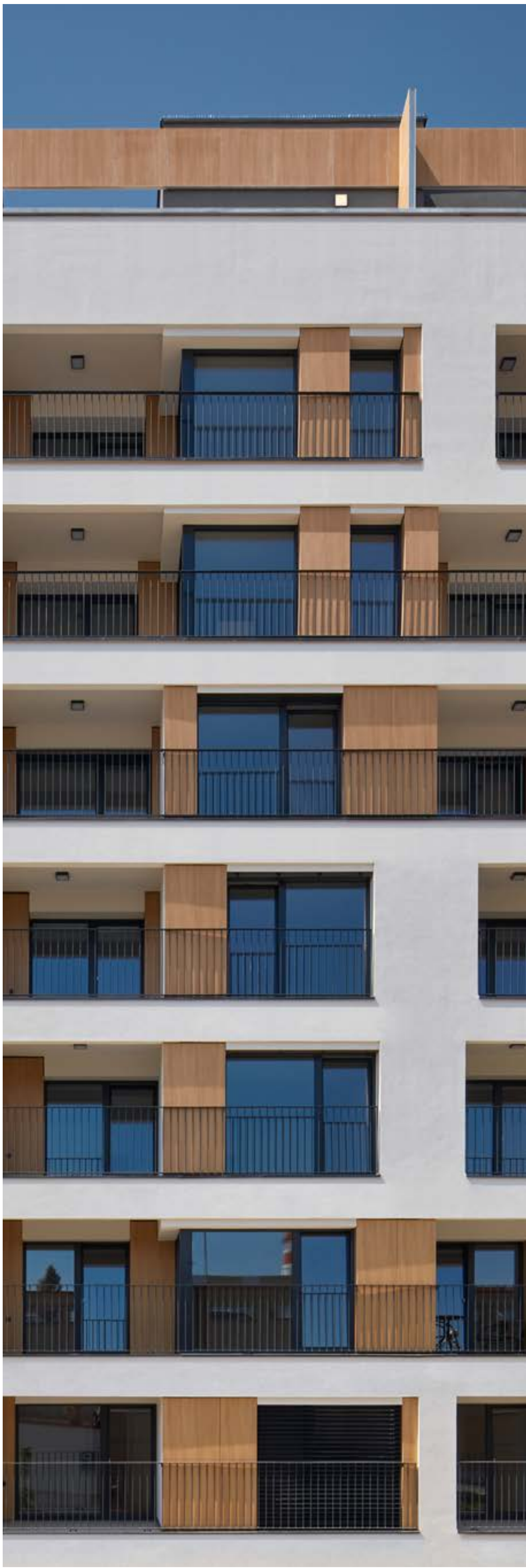
The new look of the building with wood elements is also blended on the six terraced houses with gardens, which are set in the inner block. The project thus offers a unique housing concept – new-build family houses in the city centre. The residential building with two separate entrances offers a wide range of apartment sizes. Southwest orientation to the inner block provides the comfort of quiet sunny living. The project also includes retail space and a stand-alone building with a café and retail units on the square between the first and second stages. All 104 apartments in the eight-storey building were sold out a few months before completion in April 2020.

Luxury Living in a Historic Location

The **Neumanka Residental Houses** with 47 units is located in the Masaryk neighbourhood – one of the best and most exclusive locations in Brno.

The development consists of low-rise apartment buildings gently set into the south-western slope, with a view of the Pisárky and Jundrov districts. The construction itself can easily be described as above standard, both in terms of architectural design, technologies and materials used. The construction consists of 47 flats and 63 parking spaces in underground garages. The complex was completed in Spring 2020. The apartments in the project were sold as one of the most expensive properties in Brno, with prices up to 130,000 CZK per sqm. The project was completed in 2Q/2020 and all residential units were sold during 2020. Neumanka apartment buildings won the main prize of the expert jury in the prestigious Real Estate Project of the Year 2019 competition for the best residential project in the Southern Moravia Region.





A Great Location Close to the Centre of the City

Construction on the third phase of the **Ponavia Residence** has completed the renewal of the former UP factory brownfield where the Ponavia Residence I and Ponavia Residence II apartment buildings now stand. Like the previous phase, the third was also designed by A69 architects and it visually connects with the previous phases.

The project offered a total of 72 apartments with layouts from 1 to 4 bedrooms. To maintain the continuity of the project, the height of the building was kept to eight floors. Most units have a balcony, and residents love the spacious terraces on the top floors. Limesand bricks were used in the construction, providing a high level of acoustic and thermal comfort. The facade is partially lined with Silbonit panels and wood decor, giving the building a stylish look.

The Ponavia Residence III was the most popular project in Brno in terms of sales during the first half of 2023.

We always strive to make our projects truly exceptional, not only in terms of construction and architecture, but also in terms of standards. Therefore, our clients could choose from five EGGER Prime laminate floor decors. RAKO tiles were laid in the bathrooms and toilets to create a timeless look, and furnishings like washbasins and toilets were also carefully selected, with the Laufen range and Hansgrohe faucets used.

Two underground garages protect residents' cars, with a total of 77 spaces, 41 of which are located on the 2nd underground floor. The 1st underground floor has 11 parking spaces inside the building and another 11 are outside. Furthermore, there are 14 free parking spaces in the courtyard. Thanks to the location of the lifts in the garages, it's possible to get home from the internal garage without stepping outside, which new residents certainly appreciate.

The new building in Kralovo Pole received the prestigious Real Estate Project of the Year 2022 in the Southern Moravian Region award. The project was successfully approved at the end of March 2023 and was quickly sold out.

72

The number of units in the Ponavia Residence III project.

262

The number of units offered by all three projects.

Where the City and the Outdoors Meet

In 2023, we launched construction on the first stage of the long awaited **Čtvrť Pod Hády** project: A new residential neighbourhood that replaces the disused and dilapidated Ergon factory brownfield in the Maloměřice and Obřany districts.

The central part of the neighbourhood is a square surrounded by traditional residential buildings offering commercial spaces on the ground floors with a stand-out nearly 40-metre-high residential building providing views of Brno and its surroundings. More intimate living is available in smaller buildings with two to three residential units per floor, and the project will include a public pre-school as well as several sports facilities and free-time zones.

The project's design emphasized sustainable solutions, greenery, and providing options for free-time activities. The project also suppresses the use of cars, which are restricted to vital peripheral routes and are mostly diverted to parking in underground garages. This creates a central green space with footpaths. The project also works with rainwater: The residential neighbourhood will not be connected to rainwater sewers, instead using the water to irrigate local greenery or allow it to be

absorbed into the ground. This reservoir system helps keep water in the area and cultivates a more comfortable environment.

Trikaya doesn't want to build just residential blocks with hundreds of units, but homes with nearby services, spaces for active relaxation, and greenery wherever you look. To make our landscaping truly remarkable, we brought in the designers from Atelier Flora led by Ferdinand Leffler. Their plan is based on prioritizing plants and outdoor furniture within the context of the entire project. This design language led to the elimination of dead-end roads and the creation of large relaxation zones where future residents can comfortably unwind.

1,000

Čtvrť Pod Hády will offer more than 1,000 new residential units.

Green roofs and solar panels have been employed in all the buildings, and EV chargers and energy-efficient lighting have also been installed. All the residential buildings in the first stage fulfil A levels, the highest, for energy efficiency.

Construction on the first phase was launched with the placing of the cornerstone in September 2023 after receiving a building permit in May 2023. The first part of the project will offer 167 units with nearly 200 underground parking spaces, and final inspection is planned for the end of 2025.

Extraordinary demand for this project was confirmed by two-thirds of first-stage units selling out more than six months before completion. The first stage offers units for private ownership or sales in a co-op model. The launch of construction on the second stage with more than 400 units is planned for the end of 2025.

The design is from Kuba & Pilař architekti, who won the prestigious Architect of the Year award in 2022 for their contribution to the field.



Čtvrť Pod Hády and ESG: How to Build a New Sustainable Neighbourhood in Harmony with its Environment

Since its beginning, we've been preparing the **Čtvrť Pod Hády** project in accordance with the principles of sustainable development, considerate use of natural resources, its locality, and the needs of its future residents.

100 %

The amount of waste concrete and bricks reused from the demolition of the factory.

SUSTAINABILITY REPORT CARD

In 2022, we commissioned a sustainability evaluation for the project using the European Taxonomy of Sustainable Activities. Thanks to exceptional energy efficiencies, this project will fulfil the Taxonomy's strict criteria.

SUSTAINABLE CONSTRUCTION

We selected a brownfield which was the site of the former Ergon factory that is now closed and in disrepair. Concrete and bricks from the demolition will be used as construction material for the new buildings, and we have recycled all of the waste concrete. Most of the waste soil will also be used by the general contractor in other projects.

CONSIDERATE USE OF ENERGY SOURCES

Roofs will be covered by greenery. Energy-saving lighting will be installed, and we will build a rainwater capture system for efficient use of water.

DEVELOPMENT OF THE LOCALITY

In cooperation with the city, we have prepared the construction of a public preschool as part of Čtvrť Pod Hády's second phase that will house four new classrooms. We will also develop public greenery, a public children's playground, sports zones, and other areas for free-time activities.

A PLEASANT ENVIRONMENT

Public spaces will be fully planted with a wide range of greenery. By limiting car traffic in the neighbourhood, we will reduce noise pollution and emissions in the area, and we are installing EV charging stations to support the use of emission-free forms of transportation.

All first-stage buildings fulfil Class A energy efficiency standards.

The Next Generation of Urban Living

Modern design, inspired floorplans, and sustainable technologies: Stage IV of the **Ponavia rezidence** project continues with a new architectural approach.

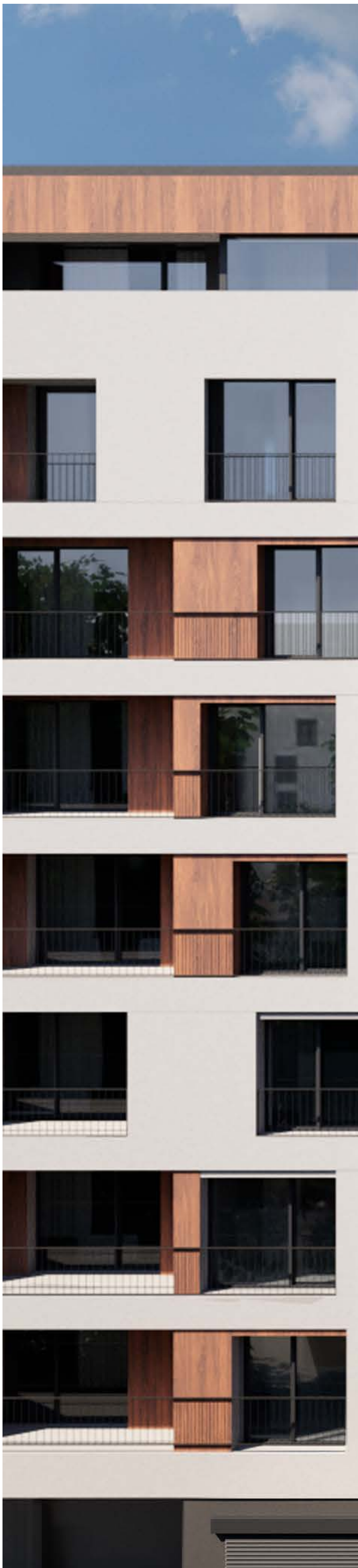
Our latest stage received a valid construction permit in March 2025, which is another step on the journey to transform the brownfield former factory site near the heart of Brno. Ponavia rezidence IV offers 71 units with floorplans ranging from 1+kk to 4+kk.

Contrary to previous stages, the architectural approach now shifts its emphasis to sustainability and modern technologies. Instead of the horizontal segmentation used up to now, the design now focuses on clear vertical lines that bring a more modern and dynamic character. This new concept proposed by the renown architects at A69 architekti.

Our desire is to improve privacy and quality of life. Three units offer gardens, while the rest have balconies, and the project include nearly 60 parking spaces. We plan to instal solar panels in the fourth stage, providing major energy savings and improving the overall sustainability of the building. The project's energy efficiency is demonstrated by it receiving an A rating, the highest possible.

71

New units.



Family Living Near the Moravian Karst

For the first time, Trikaya is planning a residential development outside Brno with its **Písky Residence** project in Blansko, which has seen constantly growing demand for residential construction.

The project with more than 400 new residential units in Blansko's Písečná residential area was prepared by Trikaya in cooperation with HOPA Group. This joint project was selected by Blansko's city council as the best to fulfill the city's needs, and it was then approved by the city assembly.

The project will offer 433 residential units ranging from 1 to 6 bedrooms in size in nine residential buildings with 5 to 6 standard floors and recessed top floors with larger 3-bedroom and 4-bedroom units or those that take up the entire storey. The project also includes a number of single-storey buildings to provide services for residents, such as hospitality, a pharmacy, a preschool with a playground, and two residential units for the handicapped.

Public areas will offer a wealth of greenery in the form of allies of trees, hedgerows, and individual trees and bushes. The public spaces will also offer benches and play areas for children, as well as seating under trees or near herb gardens. Squares and other public areas in the pedestrian zones and the courtyards of the residential buildings will offer free-time activities and a place for people of all ages to gather and interact.

433

The number of new residential units planned for the Blansko project.

The beginning of construction at the Písky Residence project in Blansko is planned for 2026.

The project will also create over 60 parking spaces, most of them underground, as well as a new public transit station at the southern end of Nad Čertovkou street.

The design for the final zoning decision was created in 2022 by Zlín-based Arch-Z-studio led by Chief Architect Ing. arch. Jaroslav Ševčík. It was awarded a valid zoning decision in June 2024.

The Most Modern Shopping Centre in Brno

Trikaya became a co-owner of the **Futurum Brno Shopping Centre** at the beginning of 2018. The purchase expands its portfolio originally focused primarily on residential development.

In mid-2019, the owners of the hypermarket and shopping gallery were united by the purchase of Bainbridge Czech Republic Vienna Hypo s.r.o., which brought a very positive response from existing tenants, to whom Trikaya can guarantee a unified vision and plans.

Following the acquisition, several alternatives for the revitalization of the shopping center were considered. Experts from Cushman & Wakefield were consulted for the entire future concept of the shopping centre. Based on the recommendations of the consulting company, Chapman Taylor was selected to prepare the concept study. After defining the future business model of the centre, it was finally decided to undertake a complete and extensive renovation. Following a tender process, Archi JAM was selected as the interior designer, while KOGAA was chosen for the exterior. The main external aesthetic element is a unified perforated sheet metal cladding, which gives the building a distinct identity. The specific colour scheme was created in collaboration with artist and painter Václav Kočí. The interior is also based on natural elements. The interior space is

simplified so that the shop windows stand out. Natural sunlight and natural elements such as wood and greenery play an important role. The existing low ceilings at the northern entrance are exposed and complemented by skylights across the full width of the commercial arcade.

The modernisation of Futurum was divided into several stages. In March 2020, work began on the premises taken over from the Tesco hypermarket, where new retail units and a new entrance with an arcade were built. Equipment and fire systems were replaced, as well as structural alterations to the retail units and replacement of the paving. The refurbishment includes new entrance areas on the north and south sides of the centre, the façade and paved areas around the building. The overall renovation, including the exterior, was completed in June 2021.

The renovation of the building also included the installation of modern technologies that save the environment. A solar power plant is located on the roof of the building and visitors can also use electric car charging stations.

The new center with more than 33,000 square metres offers both existing and new retail units and a modern and larger food court with a variety of cuisines. The aim of the renovation was not only to modernise the space, but also to revitalise the concept of a shopping centre that is not just for shopping, but also for leisure activities for the whole family.

The entire transformation of the shopping centre into a modern commercial and entertainment centre took place while the centre was in operation, and it was never completely closed. The modernised retail units were gradually opened, and original tenants like the Tesco hypermarket, Gate, Sportisimo, Alpine Pro, Kilpi, and others remain. The refurbished stores include Benu pharmacy, clothing and accessories store Pepco, and Orion home goods. In the newly renovated Futurum, customers can find DM Drogerie, Datart, and SuperZoo where pet lovers can also use a dog grooming service. The shopping centre is also home to the first store in Brno from international fashion brand Sinsay with 1,700 m2. Bonami, a home accessories store, Fann perfumery, Avon cosmetics brand, and Fit-People,a unique fitness concept with a 1,500 m^2 facility, also opened their premises during the second half of 2022. The food court offers a total of 17 outlets, including Bella Pizza, KFC, Burger King, and Zlatý orel.

The modernized Futurum placed second in the 23rd annual Best of Realty competition in the shopping centres category; second in the Building of the South Moravian Region competition in the renovation category; and received a nomination in the Estate Awards. The centre was awarded BREEAM In Use environmental certification at the EXCELLENT level in 2022.

33.2 thousand square metres

The total amount of rental space at the Futurum Shopping Centre.

80

The total number of units for lease.

An Award-winning Renovated Shopping Centre in Prague

The **Řepy Prague Shopping Centre** is located in the natural center of the Prague district of the same name. It became the property of Trikaya in December 2017 with the purchase of the company OC Řepy a.s.

14.5
thousand square metres

Total rental space at the shopping centre with 70 units for lease.

The shopping centre is home to many stores and services, and part is made up of offices. As OC Řepy had not been renovated since its opening, Trikaya decided to give it a complete upgrade. The leasable area increased from 11,800 m2 to 14,500 m2, which in addition to the optimization of the existing space was also due to an extension on Building A. The new look and the safer environment are especially appreciated by customers. The whole complex has a new roof with the possibility of being fully enclosed. The new units equipped with modern technologies were welcomed by both tenants and the centre's administration. All air conditioning and electrical installations were replaced, the facade was repaired, and the building was completely insulated. The staircases and lifts were supplemented by escalators that will conveniently connect the individual floors of the new shopping arcade. The orange and blue colour of the exterior was replaced by a modern white and anthracite combination.

Aukett was the chief architect and project designer, and Imos Brno a. s. was the general contractor. The complete renovation was completed in April 2022 when buildings A and B were connected.

The list of tenants is very diverse with a range of stores and supermarkets complemented by a wide selection of restaurants, a 24-hour fitness centre, banks and cash machines, a Czech Post office, and a Czech Police station.

Trikaya successfully completed the renovation of the OC Řepy complex at the beginning of July 2024 and then sold the project to investment fund PRAGORENT.

Řepy Shopping Centre was awarded BREEAM certification at the exceptional EXCELLENT level.

A New Green Business Hub in Brno

In April 2016, Trikaya procured a plot of land on the corner of Koliště and Milady Horáková streets in the centre of Brno that came with a building permit for a 220-guest hotel. The company intended to use this land for the construction of the modern **Landmark Office Building** that fits nicely into this location.

All the necessary services are nearby: notary offices, a financial authority, and a post office. It's possible to travel anywhere by car or public transit within a few minutes from the inner-city ring road, and the D1 motorway is 10 minutes away.

The building will offer seven floors of office space with garages on two underground floors. The ground floor will offer commercial spaces that will benefit tenants and nearby visitors and residents.

The Landmark Office Building is designed according to the highest standards and will meet the requirements of LEED GOLD certification. The LEED ® (Leadership in Energy and Environmental Design) certificate is an internationally recognized standard in the design and construction of environmentally friendly and sustainable buildings. Categories such as location, quality of the indoor environment, innovations, materials, and resources are evaluated in this certification.

The layout of the building is designed as an open space administrative building with a central core for communication with social amenities. Thanks to the location of the staircase, elevator, and social amenities in the centre, the floor can be divided into as many as four separately leasable units, which can be further modified and divided as needed by the use of partitions.

The underground garage with 6 chargers for electric cars and a capacity of 68 parking spaces addresses problems with parking in the city centre. The project also takes into consideration cyclists that will have an enclosed and roofed facility in the inner courtyard.

The author of the design is the architectural office A53 Architekti.

Trikaya sold the Landmark Office Building project at the end of February 2024 to SUDOP Real a.s., which became the new owner of the plot with a valid building permit. The company now plans to build the project in its entirety and complete it at the beginning of 2028.

An AAA-standard office building will go up in the heart of Brno.

7.9

thousand square metres

The total space for lease at the Landmark Office Building.

03

Company Events

2023

September

ČTVRŤ POD HÁDY CORNERSTONE PLACEMENT

The placement of the cornerstone on 13 September 2023 symbolically launched the construction of our largest project thus far: the sustainable Čtvrť Pod Hády. More than 100 guests including local leaders, journalists, potential buyers, business partners, and Trikaya employees attended the event and could view a model of the new neighbourhood or tour the locality and see an amazing view of Brno on a special touring bike.

October

FIRST-AID TEAMBUILDING

Trikaya employees learned how to provide first aid in emergencies from WorkMed's professional first-responders. Although the training went exceptionally well, we hope to never have to use the knowledge acquired.

October

ZONING DECISION FOR THE SECOND PHASE OF THE ČTVRŤ POD HÁDY PROJECT

We received the zoning decision for the second phase shortly after the launch of construction on the first part of Čtvrť Pod Hády. The second phase includes more than 400 residential units with underground parking and a new pre-school facility.

November

FIFTH PLACE IN THE CZECH TOP 100 COMPETITION FOR OUR ANNUAL REPORT

Trikaya proved itself among the largest Czech companies, winning fifth place in the 30th annual CZECH TOP 100 communications competition for our 2021-2022 annual report.

December

CHRISTMAS PARTY WITH A COLLECTION DRIVE FOR DŮM PRO JULII

Dům pro Julii is a non-profit organization that helps families that require 24/7 care for their children. The drive among employees raised CZK 5,000, with the company upping the donation to CZK 25,000.

2024

January

ČTVRŤ POD HÁDY NAMED REAL ESTATE PROJECT OF THE YEAR

The first stage of the Čtvrť Pod Hády project was selected from among 54 nominated projects from throughout the Czech Republic and awarded as the Expert Commission Real Estate Project of the Year 2023 for the South Moravia Region.

February

DIVESTMENT FROM THE LANDMARK OFFICE BUILDING PROJECT

Trikaya sold its Landmark Office Building project at the end of 2024. The modern office complex was planned for the plot on the corner of Koliště and Milady Horákové streets in the heart of downtown Brno. The plot with a valid construction permit was acquired by SUDOP Real a. s.

May

TEAMBUILDING AT THE BRNO DAM

We had a wonderful day full of relaxation, good food, and great people! We had a beautiful boat ride, a short hike, and a relaxing stay at the U princezny beer garden. Thank you to everyone for the great atmosphere and we look forward to our next event!

June

ZONING DECISION FOR THE REZIDENCE PÍSKY PROJECT

Trikaya is expanding its geographic footprint outside Brno, specifically to Blansko, 20km away. In cooperation with HOPA Group, we are working on the Rezidence Písky projct, which received a valid zoning decision on June 2024.

June

PARTNERSHIP AT GOLF TOUR KOŘENEC

Trikaya became a partner of one of the Kořenec Open Tour 2024 events held at a golf resort in the heart of the Drahan Highlands.

June

PARTICIPATION AT THE RETAILCON CONFERENCE

We took part in one of the largest gatherings of retail sales experts at the RetailCon conference, which had a very informative program and was a great opportunity to network.

July

ŘEPY SHOPPING CENTRE SALE

The Řepy Shopping Centre in Prague was our first project outside Brno. We handed the centre over to new management after nearly seven years during which we transformed a neglected building into an attractive shopping and community centre. This strategic step allowed us to concentrate on current and future projects, especially our biggest projected to date: Čtvrt Pod Hády.

September

PARTICIPATION AT MORAVIAN REAL ESTATE DATE

We discussed the future development of the Czech Republic's second city, the affordability of new housing, new opportunities, and current obstacles with leaders of Czech businesses, real estate experts, and representatives of Brno City Hall at the Moravian Real Estate Date. We primarily focused on construction regulations in Brno to make building more effective, provide faster returns on investment, and higher yields. We also spoke about centralizing construction authorities and the permitting process, and we concluded by discussing the projects planned to be built in Brno by 2050.

October

ČTVRŤ POD HÁDY CO-OP HOUSING

The first stage of the extensive Čtvrť Pod Hády project in Brno's Maloměřice and Obřany neighbourhoods will include units to be sold as co-ops. This comes as a reaction to the increasing unaffordability of new housing and growing demand for alternative forms of financing.

November

TRIKAYA'S 15TH ANNIVERSARY

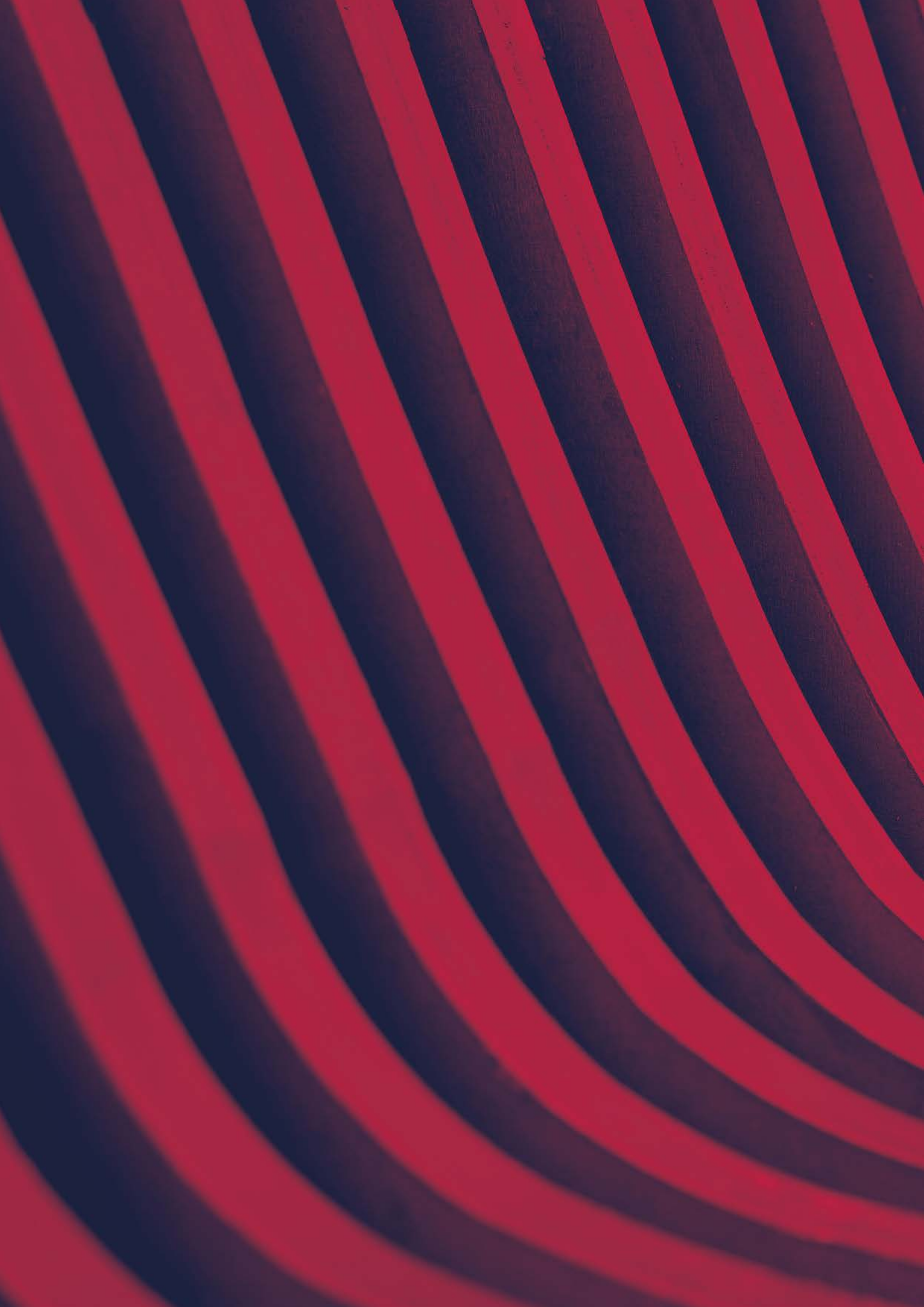
We celebrated 15 years on the market with gratitude for what we have been able to accomplish and a vision for the future. Thank you to all who believe in us and those who create great places to live and work.

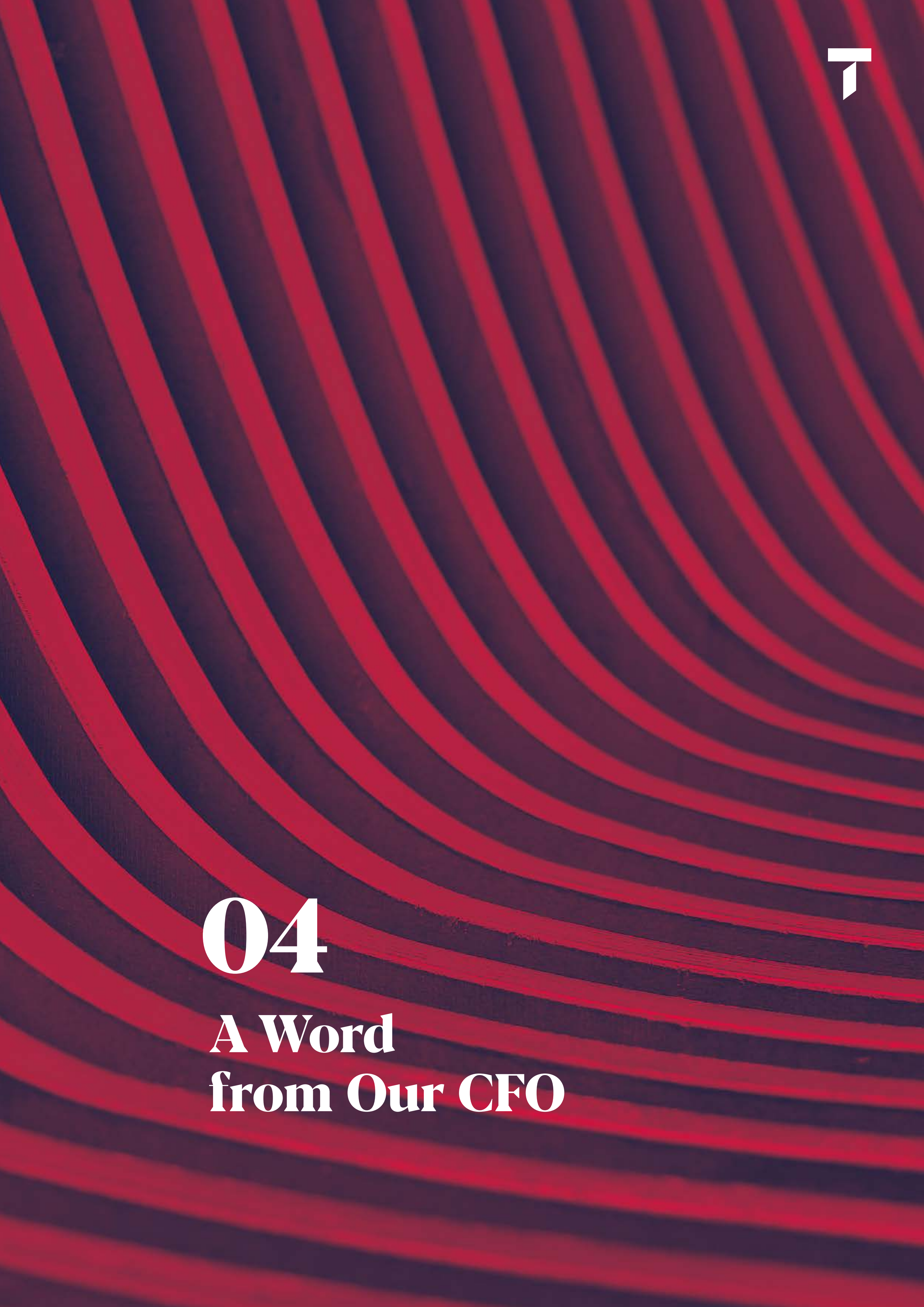
November

TRIKAYA'S FIRST VIDEO

We are exceptionally proud of our first Trikaya-branded video that maps our 15-year history during which we built new homes and created jobs while becoming an intrinsic part of the Brno real estate market. And we hope the next 15 years will be just as successful.


KASK





04

A Word from Our CFO

A Word from Our CFO

Dear Respected Partners, Investors, and Colleagues,

The last fiscal year saw a stabilization of selected macroeconomic indicators even though certain challenges on the real estate and financial markets continued. TRIKAYA displayed remarkable resiliency under these conditions through effective asset and capital management, maintaining its strong financial position and building a strong foundation for the future.

The group had net income of CZK 38 million for the period to June 30, 2024, which reflects the combination of stable operational results, completed divestments, and the continuing growth in value of key assets. Net operating income of CZK 118 million was driven by higher rental income, primarily from OC Futurum which saw year-on-year growth of about 11%, as well as the successful sales of units at the Ponavia Rezidence III project that generated a profit of CZK 32.5 million. Divestments also positively influenced the results, specifically the sale of OC Řepy, the Landmark office project, and Bytové družstvo Staňkova 30. These divestments also helped optimize the Trikaya portfolio and freed up capital for new projects. Profit from the revaluation of investment properties totalled CZK 99.5 million, reflecting better asset performance and a stabilization of retail real estate yields. The operational result was dragged down by higher interest expenditures, which reached CZK 187.7 million according to the profit and loss statement, thus remaining a key cost factor.

Trikaya's consolidated assets reached CZK 3.7 billion, an 11.4% increase over the previous period. The largest asset continues to be investment properties with a real value of CZK 2.38 billion. The group successfully reduced its debt levels with loan-to-value reaching 82%. The group will continue efforts to shrink this number through refinancing and optimizing capital structures. We expect the Czech National Bank's loosening of monetary policy that started at the end of 2023 and strengthened in 2024 will positively influence the financing of Trikaya's costs in the coming periods.

The recovery in the mortgage market sparked a significant increase in demand for new residential construction that was first seen in July 2023 and was fully felt in 2024. The number of units sold in Brno more than tripled between June 2023 and July 2024 in one of the largest year-on-year jumps on record. This reflects not just falling interest rates, but also consumer demand for housing despite continued high prices. This positive market trend was then reflected in the sales of the first phase of the Čtvrť Pod Hády project where 55 units were sold by 30 June 2024, or about a third of the project's total. Demand remained strong in subsequent months, which confirms the strong hunger for new housing. Expanding our offering to include co-op forms of ownership helped Trikaya reach a broader spectrum of clients despite the current challenges to finding affordable living.

Strategically, Trikaya will increasingly focus on a flexible capital structure in 2025-2027, as well as optimizing construction processes (including considering modularity). Trikaya will also introduce new construction and real estate management technologies while seeking new forms of cooperation with investors and municipalities. Our priority remains assuring a return on investment within the context of a constantly changing environment.

I would like to thank all our colleagues and partners for their trust, professionality, and effort. I firmly believe Trikaya is well prepared for the next chapter in its development as a stable and responsible company focused on the long-term sustainability of its business.

MARTIN NEVÍDAL
CFO

Main financial indicators

2023–2024: **118,226** TCZK
2022–2023: **200,009** TCZK

Net income from operations

2023–2024: **99,524** TCZK
2022–2023: **–3,452** TCZK

Profit (+) / loss (–) from real estate revaluation

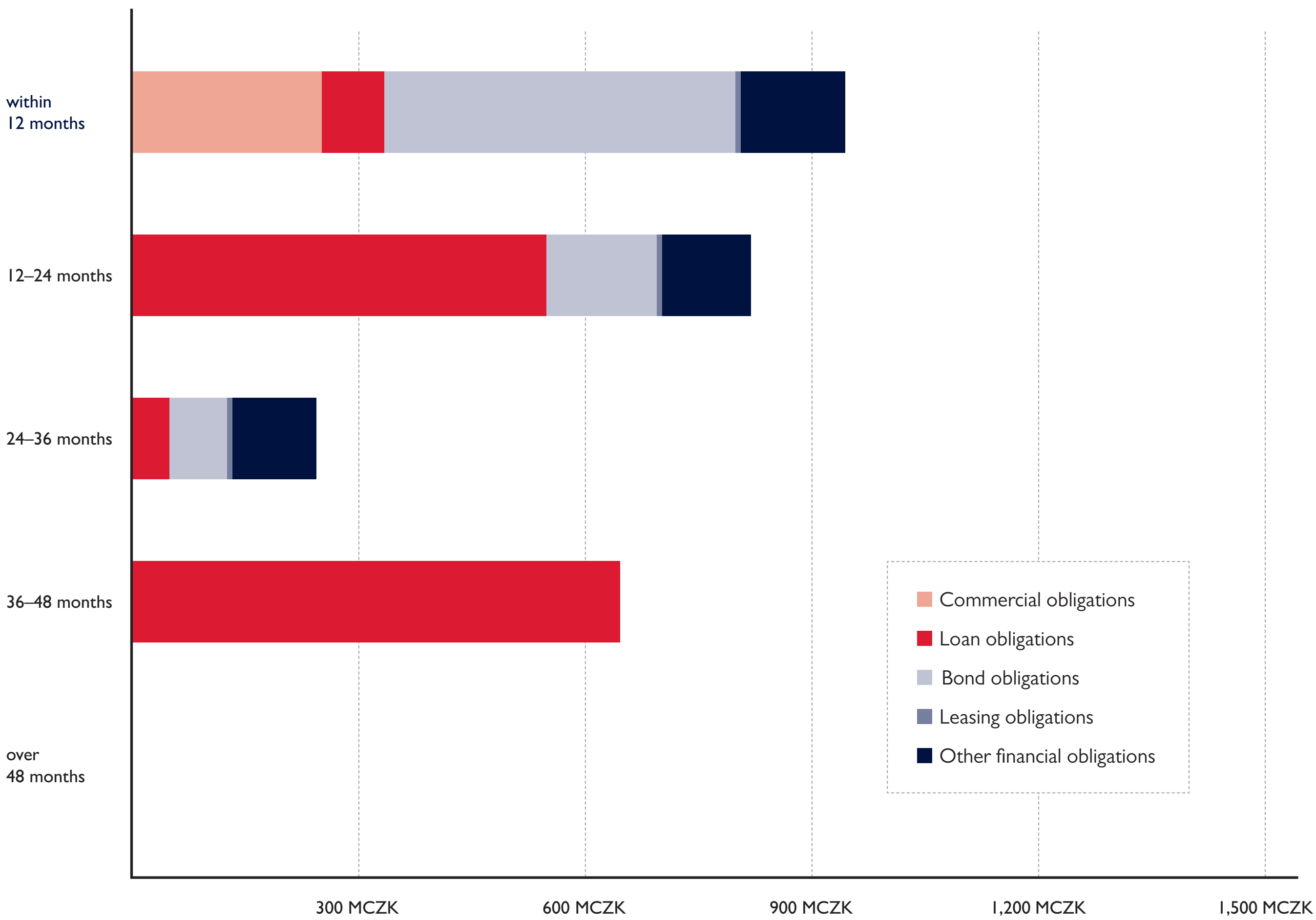
2023–2024: **38,010** TCZK
2022–2023: **–1,984** TCZK

Net income

2023–2024: **3,662,137** TCZK
2022–2023: **3,288,133** TCZK

Total assets

Debt Structure by Maturity



2023–2024: **141** %
2022–2023: **102** %

Interest coverage

2023–2024: **82** %
2022–2023: **79** %

Loan To Value

2023–2024: **8.7** %
2022–2023: **8.0** %

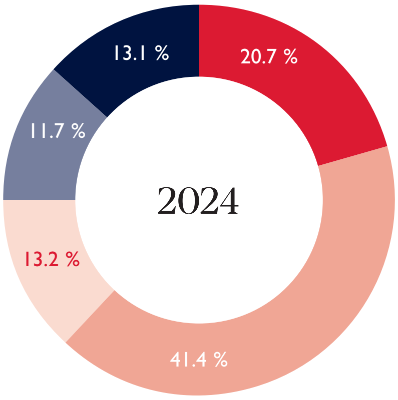
Average cost for external sources of financing

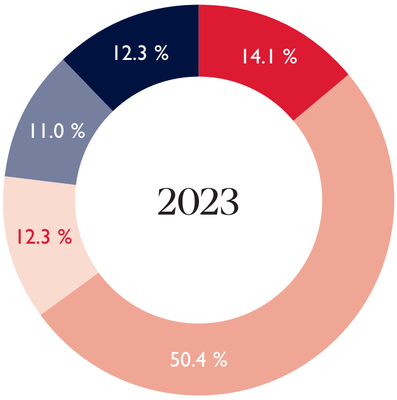
2023–2024: **3.9** %
2022–2023: **5.8** %

Average cost for senior external sources of financing

2023–2024: **12.8** %
2022–2023: **9.9** %

Average cost for junior external sources of financing



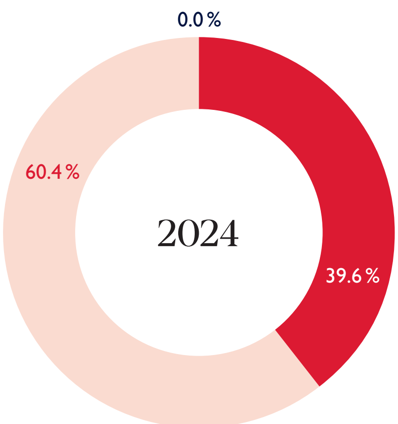


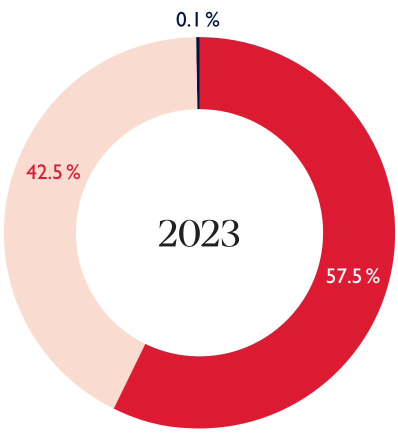
Capital Structure

- Issued bonds
- Loans
- Other credit and obligation
- Commercial and other obligations
- Own capital

Real Estate Portfolio

- Shopping centres and offices
- Residential projects
- Other





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Consolidated Financial Statement

Contents of Consolidated Financial Statement

1. Consolidated Statement of Profit and Loss and Comprehensive Income for the financial year ended 30 June 2024

(in thousands CZK)	Note	30 June 2024	30 June 2023
Rental income from real estate	10.1	151,207	216,804
Operating costs	10.1	–65,524,	–110,933
Proceeds from the sale of inventories	10.3	126,539	308,311
Cost of inventories sold	10.3	–93,996	–214,173
Net income from operating activities		118,226	200,009
Other operating income	10.2	11,822	2,477
Gain (+) / Loss (-) on sale of assets	10.4	270	–1,126
Employee benefit costs	10.5	–36,842	–30,917
Other costs	10.5	–338,136	–107,782
Net capitalization related to development activities	10.9	380,854	157,191
Depreciation of tangible and intangible assets	10.6	–4,394	–4,000
Gain (+) / Loss (-) on revaluation of investment property, net	11.1.2	99,524	–3,452
Gain (+) / Loss (-) on revaluation of discontinued operations	10.11	33,768	–
Interest income (+) / Interest expense (-), net	10.7	–187,726	–208,325
Financial income (+) / Financial expenses (-), net	10.8	–39,504	19,734
Net financial cost		–227,230	–188,591
Profit (+) / Loss (-) for the period before tax		37,862,	23,409
Income tax	10.10	–1,788	–25,393
Profit (+) / Loss (-) for the period after tax		36,074	–1,984
Profit (+) / Loss (-) from discontinued operations before tax		–18,143	–
Income tax on discontinued operations	10.10	20,079	
Profit (+) / Loss (-) from discontinued operations after tax		1,936	–
Comprehensive income for the period		**38,010**	**–1,984**
Profit (+) / Loss (-) for the period attributable to:	11.3		
(i) the minority interest; and		10,473	–10,359
(ii) the owners of the parent company.		45,681	8,375
Full total result for the period attributable to:	11.3		
(i) a minority interest; and		10,473	–10,359
(ii) the owners of the parent company.		45,681	8,375

2. Consolidated statement of financial position as at 30 June 2024

(in thousands CZK)	Note	30 June 2024	30 June 2023
Intangible assets	11.1.1	3,711	362
Investment property	11.1.2	2,377,047	2,980,833
Land, buildings and equipment	11.1.3	2,128	4,277
Right-of-use assets	11.1.4	4,096	7,335
Other non-current assets	11.1.5	131	133
Total non-current assets		2,387,113	2,992,940
Stocks	11.1.6	307,864	200,514
Trade and other receivables	11.1.7	14,404	19,667
Other current assets	11.1.8	47,787	25,687
Cash and cash equivalents	11.1.9	95,194	49,325
Assets held for sale	10.11.3	809,775	–
Total current assets		1,275,025	295,193
Total assets		**3,662,137**	**3,288,133**
Bonds issued	11.2.1	176,604	285,782
Loans	11.2.2	1,183,180	1,203,351
Trade and other payables	11.2.5	34,381	32,132
Other borrowings and liabilities	11.2.3	213,931	284,938
Deferred tax liabilities	11.2.4	93,040	121,932
Total non-current liabilities		1,701,136	1,928,135
Bonds issued	11.2.1	425,982	177,082
Loans	11.2.2	22,532	453,051
Trade and other payables	11.2.5	305,324	184,746
Taxes payable	11.2.6	–	21,927
Other borrowings and liabilities	11.2.3	169,504	118,826
Liabilities held for sale	10.11.3	657,588	–
Total current liabilities		1,580,930	955,632
Total liabilities		**3,282,066**	**2,883,767**
Share capital	11.3	2,000	2,000
Other capital funds	11.3	13,156	13,182
Retained earnings/unremitted losses of previous years	11.3	316,350	318,772
Terminated activities	11.3	–41,720	–
Profit or loss for the current financial year	11.3	45,681	8,375
Profit or loss for the current financial year – discontinued operations	11.3	–18,143	–
Share of owners of the parent company		317,324	342,329
Minority interests	11.3	62,265	62,037
Total equity		380,071	404,366
Total equity and liabilities		**3,662,137**	**3,288,133**

3. Consolidated statement of changes in equity for the year ended 30 June 2024

(in thousands CZK)	Note	Share capital	Other capital funds	Retained earnings (–)/ Unremitted loss of previous years	Profit or loss for the current financial year	Share of Owners of the Parent Company	Minority interests	Total equity	Minoritní podíly	Celkový vlastní kapitál
Balance as of 30.6.2022		2,000	13,210	179,553	88,986	283,749			65,171	348,920
Correction of past errors	9			0	28,136	28,136			7,034	35,170
Balance as of 30.6.2022 Corrected		2,000	13,210	179,553	117,122	311,885			72,205	384,090
Reclassification of the full profit/loss as at 30.6.2022 to retained earnings/ unrealized losses of previous years		0	0	117,122	–117,122	0			0	0
Foreign currency share repackaging – TRIKAYA FUND S.C.A., SICAV-FIS, in liquidation		0	7	0	0	7			0	7
Other modifications		0	–35	–886	0	–920			2	–918
Other result of previous years		0	0	–2,982	0	–2,982			190	–2,792
Settlement of the purchase price for the sale of a 50% stake in the TRIKAYA družstvo		0	0	25,964	0	25,964			0	25,964
Full result for the period 1.7.2022–30.6.2023		0	0	0	8,375	8,375			–10,359	–1,984
Balance as of 30.6.2023		2,000	13,182	318,772	8,375	342,329			562,037	404,366
Reclassification of the full profit/loss as at 30.6.2023 to retained earnings/ unrealized losses of previous years		–	–	8,375	–8,375	–	–	–	–	–
Transfer of other assets to retained earnings/unrealized losses of previous years – Developer Brno Hády		–	–26	26	–	–	–	–	–	–
Other modifications		–	–	4,107	–	4,107	–	–	–2,036	2,071
Sale of 80% stake in The Landmark Building		–	–	17,377	–	17,377	–	–	5,195	22,572
Sale of a 100% stake in Bytového družstva Staňkova 30		–	–	4,762	–	4,762	–	–	–	4,762
Acquisition of a 50% stake in Čtvrť pod Hády III		–	–	–66,958	–	–66,958	–	–	–12,922	–79,880
Other result of previous years		–	–	–11,831	–	–11,831	–	–	–	–11,831
End of activity – OC Řepy		–	–	41,720	–	41,720	–41,720	–18,143	–	–18,143
Accounting result as of 30.6.2024		–	–	–	45,681	45,681	–	–	10,473	56,154
Balance as of 30.6.2024		2,000	13,156	316,350	45,681	377,187	–41,720	–18,143	62,747	380,071

4. Consolidated statement of cash flow for the year ended 30 June 2024

(in thousands CZK)	30 June 2024	30 June 2023
Comprehensive income for the period	38,010	–1,984
Modifications:		
Income tax	–18,291	25,393
Depreciation of tangible and intangible assets	4,394	4,401
Gain/loss on revaluation of fixed assets	–99,524	38,855
Gain/loss on sale of fixed assets	–33,768	–
Gain/loss on sale of investment property	–270	1,126
Interest	187,726	154,336
Effect of changes in exchange rates on financial liabilities	60,825	–
Other	–	–2,506
Operating cash flows before working capital movements	139,102	219,621
Decrease/(increase) in inventories	–119,701	36,319
Decrease/(increase) in trade and other receivables	–37,355	–10,276
Increase/(decrease) in trade and other payables	147,477	277,961
Cash flows from operating activities	129,523	523,625
Income tax paid	–32,048	–6,395
Net cash flows from operating activities	97,475	517,230
Investment activity:		
Interest received	3	47
Proceeds from the sale of fixed assets	112,554	226
Expenditure on the acquisition of fixed assets	–133,578	–452,852
Subsidies for investments	–	11,440
Net cash flows from investing activities	–21,021	–441,139
Financial activities:		
Interest paid	–105,602	–58,898
Repayment of loans and borrowings	–218,661	–1,336,557
Income from loans and borrowings	187,126	1,500,557
Redemption of bonds	–73,900	–313,434
Proceeds from the issue of bonds	195,800	120,500
Dividends paid	–	–
Net cash flows from financing activities	–15,237	–87,832
Net cash inflow/outflow	61,217	–11,741
Cash and cash equivalents at the beginning of the period	49,325	61,066
Cash and cash equivalents at the end of the period	95,194	49,325
– of which restricted cash	15,000	15,000
Cash and cash equivalents from completed activities	15,348	–

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Notes on the Consolidated Financial Statement

5. General information

- Trikaya Asset Management a.s. (the "Company") was entered into the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 6027 on 5 February 2010. The registered office of the Company is located at Šumavská 519/35, Veveří, 602 00 Brno.
- All companies, including Trikaya Asset Management a.s., that fall within the consolidation unit described in point 6, will be referred to hereafter as the "Group".
- The Company's principal activity is real estate investment and construction.
- The Company's identification number is 292 02 078.
- The Company is subject to the Companies Act as a whole. This became effective on the date of registration in the Commercial Register, i.e. 21 May 2014.
- The Group's accounting period begins on 1 July and ends on 30 June. From 1 January 2025, the accounting period was changed to 1 January and ends on 31 December. The period from 1 July 2024 to 31 December 2024 is a separate accounting period for the Group.
- The consolidation currency of the presented consolidated results of Group is the Czech koruna, as is the functional currency of the individual companies of the consolidation unit.
- Unless otherwise stated, all financial data are in thousands of CZK.

Shareholding structure

Name of legal entity	The ultimate owner	Headquarters	Share	Share in the share capital and voting rights
ASTERION CAPITAL s.r.o., ID No.: 03465071, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 84883	Alexej Veselý	Šumavská 519/35, Veveří, 602 00 Brno	1.000.000 CZK	50%
FINMASTER Management a.s., ID No.: 065 96 738, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7859	Dalibor Lamka	Šumavská 519/35, Veveří, 602 00 Brno	1.000.000 CZK	50%

BOARD OF DIRECTORS

- Ing. Dalibor Lamka, Chairman of the Board
- Ing. Alexej Veselý, Vice-Chairman of the Board of Directors
- Ing. Jan Kolařík, member of the Board of Directors (from 21.11.2023)

The members of the Board of Directors shall act for the Board of Directors individually, with the exception of legal actions whose subject matter is performance in excess of CZK 3,000,000 (in words: three million Czech crowns), in which cases two (2) members of the Board of Directors shall always represent the company jointly.

SUPERVISORY BOARD

- Ing. Jan Kolařík, member of the Supervisory Board (until 21.11.2023)
- Ing. Martin Nevídal, Chairman of the Supervisory Board (from 21.11.2023)

The share capital of the Company amounts to CZK 2,000 thousand and is fully paid up.

The company has issued a total of 10 ordinary registered shares in certificated form with a nominal value of CZK 200,000 per share.

6. Definition of consolidation unit, consolidation system and consolidation methods

ORGANIGRAM OF THE GROUP AS AT 30.6.2024

The following organigram shows the Group's organigram and the % ownership or % share in the share capital of the companies in the consolidation unit as at 30 June 2024.

30.6.2024

Name of the company in the Group		% of voting rights	% of share capital
1.	Trikaya Asset Management	100.00	100.00
2.	Trikaya Project Management	100.00	100.00
3.	Trikaya nemovitostní fond SICAV	100.00	100.00
4.	AIKONA	100.00	100.00
5.	Mall Vienna Brno	80.00	80.00
6.	Trikaya RRE	100.00	100.00
7.	NEUMANN bytový dům	100.00	100.00
8.	PONAVIA RESIDENCE III	100.00	100.00
9.	PONAVA CENTRUM	100.00	100.00
10.	Developer Brno Hády	100.00	100.00
11.	Čtvrť pod Hády III (until 15.3.2024 TRIKAYA, družstvo)	100.00	100.00
12.	TRIKAYA TPB	100.00	100.00
13.	ABILET Company	100.00	100.00
14.	Železniční Komárov	100.00	100.00
15.	Trikaya Residential	100.00	100.00
16.	Trikaya CRE	100.00	92.25*
17.	Euro Mall Brno Real Estate	80.00	80.00
18.	První Železniční Komárov	100.00	100.00
19.	Čtvrť pod Hády	100.00	100.00
20.	Čtvrť pod Hády I	100.00	100.00
21.	Čtvrť pod Hády II	100.00	100.00
22.	Trikaya Energy	100.00	100.00
23.	OC Řepy	100.00	91.75*

* 7.75% of the share capital consists of preference shares in Trikaya CRE. As the issuer and holders have the right to redeem, they are classified as a liability.

TRIKAYA Asset Management a.s.

- 100 % TRIKAYA Project Management a.s.
- 100 % Trikaya nemovitostní fond SICAV, a.s.
- 100 % AIKONA, a.s.
- 80 % Mall Vienna Brno a.s.
  - 100 % Euro Mall Brno Real Estate, s.r.o.
- 100 % Trikaya RRE a.s.
  - 100 % PONAVA CENTRUM a.s.
- 100 % NEUMANN bytový dům a.s.
- 100 % PONAVIA REZIDENCE III a.s.
- 100 % TRIKAYA TPB a.s.
- 100 % ABILET Company s.r.o.
- 100 % Železniční Komárov s.r.o.
  - 100 % První Železniční Komárov s.r.o.
- 91,8 % Trikaya CRE a.s.
- 100 % TRIKAYA Residential a.s.
- 100 % Čtvrť Pod Hády a.s.
  - 100 % Čtvrť Pod Hády I s.r.o.
  - 100 % Čtvrť Pod Hády II s.r.o.
  - 100 % Developer Brno Hády a.s.
  - 50 % TRIKAYA, družstvo
- 50 % TRIKAYA, družstvo
- 100 % TRIKAYA Energy s.r.o.

NAMES AND ADDRESSES OF CONTROLLED COMPANIES INCLUDED IN THE CONSOLIDATION UNIT AS AT 30.6.2024

a. **Trikaya Project Management a.s.**,
ID No.: 051 86 234, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7566 (hereinafter referred to as "Trikaya Project Management")

b. **Trikaya nemovitostní fond SICAV, a.s.**,
ID No.: 070 04 311, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7933 (hereinafter referred to as "Trikaya nemovitostní fond SICAV"). The parent company owns founder shares in this company, which carry with them the right to elect and dismiss the Supervisory Board and the statutory body, the Board of Directors. These shares do not carry with them the right to a share in the profits and other distributions from the fund part of Trikaya nemovitostní fond SICAV. This company therefore does not form part of the consolidation group.

c. **AIKONA, a.s.**,
ID No.: 269 19 729, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 4113 (hereinafter referred to as "AIKONA")

d. **Mall Vienna Brno a.s.**,
ID No.: 066 79 978, with registered office at Vídeňská 132/100, Dolní Heršpice, Brno 619 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 8038 (hereinafter referred to as "Mall Vienna Brno")

e. **Trikaya RRE a.s.**,
ID No.: 050 20 131, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7530 (hereinafter referred to as "TRIKAYA RRE")

f. **NEUMANN bytový dům a.s.**,
ID No.: 277 18 506, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 4836 (hereinafter referred to as "NEUMANN bytový dům")

g. **PONAVIA REZIDENCE III a.s.**,
ID No.: 041 28 010, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7317 (hereinafter referred to as "Ponavia Rezidence III")

h. **PONAVA CENTRUM a.s.**,
ID No.: 282 62 662, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register kept by the Regional Court in Brno, Section B, Insert 5434 (hereinafter referred to as "PONAVA CENTRUM")

i. **Developer Brno Hády a.s.**,
ID No.: 269 79 438, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 6444 (hereinafter referred to as "Developer Brno Hády")

j. **Čtvrť Pod Hády III (until 15.3.2024 TRIKAYA, družstvo)**,
ID No.: 292 92 247, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register kept by the Regional Court in Brno, Section Dr, Insert 5075 (hereinafter referred to as "Čtvrť Pod Hády III")

k. **TRIKAYA TPB a.s.**,
ID No.: 058 06 097, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7684 (hereinafter referred to as "Trikaya TPB")

l. **ABILET Company s.r.o.**,
ID No.: 047 65 605, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 94468 (hereinafter referred to as "ABILET Company")

m. **Železniční Komárov s.r.o.**,
ID No.: 077 16 494, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 109809 (hereinafter referred to as "Železniční Komárov")

n. **Trikaya CRE a.s.**,
ID No.: 090 21 345, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 8361 (hereinafter referred to as "Trikaya CRE")

o. **OC Řepy a.s.**,
ID No.: 282 05 219, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7924 (hereinafter referred to as "OC Řepy")

p. **Euro Mall Brno Real Estate s.r.o.**,
ID No.: 261 61 478, with registered office at Vídeňská 132/100, Dolní Heršpice, 619 00 Brno, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 110724 (hereinafter referred to as "Euro Mall Brno Real Estate")

q. **První Železniční Komárov s.r.o.**,
ID No.: 080 59 969, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 111671 (hereinafter referred to as "První Železniční Komárov").

r. **Trikaya Residential a.s.**,
ID No.: 141 42 929, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 8657 (hereinafter referred to as "Trikaya Residential").

s. **Čtvrť Pod Hády a.s.**,
ID No.: 173 92 357, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 8732 (hereinafter referred to as "Čtvrť Pod Hády").

t. **Čtvrť Pod Hády I s.r.o.**,
ID No.: 192 75 188, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 133843 (hereinafter referred to as "Čtvrť Pod Hády I").

u. **Čtvrť Pod Hády II s.r.o.**,
ID No.: 210 80 691, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register kept by the Regional Court in Brno, Section C, Insert 137429 (hereinafter referred to as "Čtvrť Pod Hády II")

v. **Trikaya Energy s.r.o.**,
ID No.: 180 24 955 with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 132624 (hereinafter referred to as "Trikaya Energy").

CHANGES IN THE CONSOLIDATION UNIT IN THE PERIOD 1.7.2023–30.6.2024

- As of 5 January 2024, a subsidiary company was established, Čtvrť Pod Hády II s.r.o., ID No.: 210 80 691, with registered office at Šumavská 519/35, Brno, 602 00, registered in the Commercial Register maintained by the Regional Court in Brno under file No. C 137429.

- As of 29.2.2024, an 80% stake in The Landmark Building was sold to SUDOP Real a.s. In connection with the sale, the credit line agreement with Glamour Slovakia, a.s. dated 7.6.2023 in the amount of CZK 50 million + accessories was repaid.
- As of 2 April 2024, 100% of the shares in Čtvrť Pod Hády I s.r.o. owned by the parent company Trikaya Asset Management, a.s. were transferred to the subsidiary Čtvrť Pod Hády s.r.o.
- As of 17.4.2024, the Bytový dům Staňkova 30 was sold to Real invest point s.r.o. from Trikaya Project Management, a.s. (42,86 %), Trikaya Asset Management, a.s. (42,86 %) and PONAVIA REZIDENCE III a.s. (14,29 %),
- As of 10.8.2024, a 50% stake in Čtvrť Pod Hády III s.ro. (until 15.3.2024 TRIKAYA, družstvo) was acquired from Trikaya nemovitostní fond SICAV, a.s.

ORGANIGRAM OF THE GROUP AS AT 30.6.2023

The following organigram shows the Group's organigram and the % ownership or % share in the share capital of the companies in the consolidation unit as at 30 June 2023.

30.6.2023

Name of the company in the Group		% of voting rights	% of share capital
1.	Trikaya Asset Management	100.00	100.00
2.	Trikaya Project Management	100.00	100.00
3.	Trikaya nemovitostní fond SICAV	100.00	100.00
4.	AIKONA	100.00	100.00
5.	Mall Vienna Brno	80.00	80.00
6.	Trikaya RRE	100.00	100.00
7.	NEUMANN bytový dům	100.00	100.00
8.	PONAVIA REZIDENCE III	100.00	100.00
9.	PONAVA CENTRUM	100.00	100.00
10.	The Landmark Building	80.00	80.00
11.	Developer Brno Hády	100.00	100.00
12.	TRIKAYA, družstvo	100.00	50.00
13.	Bytové družstvo Staňkova 30	100.00	100.00
14.	TRIKAYA TPB	100.00	100.00
15.	ABILET Company	100.00	100.00
16.	Železniční Komárov	100.00	100.00
17.	Trikaya Residential	100.00	100.00
18.	Trikaya CRE	100.00	91.75*
19.	Euro Mall Brno Real Estate	80.00	80.00
20.	První Železniční Komárov	100.00	100.00
21.	Čtvrť pod Hády	100.00	100.00
22.	Čtvrť pod Hády I.	100.00	100.00
23.	Trikaya Energy	100.00	100.00
24.	OC Řepy	100.00	91.75*

* 8.25% of the share capital consists of preference shares in Trikaya CRE. As the issuer and holders have the right to redeem, they are classified as a liability.

TRIKAYA

Asset Management a.s.

- 100 % TRIKAYA Project Management a.s.
  - 50 % TRIKAYA, družstvo
  - 42,9 % Bytové družstvo Staňkova 30
- 100 % Trikaya nemovitostní fond SICAV, a.s.
  - 100 % Euro Mall Brno Real Estate, s.r.o.
- 100 % AIKONA, a.s.
- 80 % Mall Vienna Brno a.s.
  - 100 % Euro Mall Brno Real Estate, s.r.o.
- 100 % Trikaya RRE a.s.
  - 100 % PONAVA CENTRUM a.s.
- 100 % NEUMANN bytový dům a.s.
- 100 % PONAVIA REZIDENCE III a.s.
  - 14,2 % Bytové družstvo Staňkova 30
- 100 % Developer Brno Hády a.s.
- 42,9 % Bytové družstvo Staňkova 30
- 100 % TRIKAYA TPB a.s.
- 100 % ABILET Company s.r.o.
- 100 % Železniční Komárov s.r.o.
  - 100 % První Železniční Komárov s.r.o.
- 100 % Čtvrť Pod Hády a.s.
- 100 % Čtvrť Pod Hády I s.r.o.
- 100 % TRIKAYA Energy s.r.o.
- 100 % TRIKAYA Residential a.s.
- 91,75 % Trikaya CRE a.s.
  - 100 % OC Řepy a.s.
  - 80 % The Landmark Building a.s.

NAMES AND ADDRESSES OF CONTROLLED COMPANIES INCLUDED IN THE CONSOLIDATION UNIT AS AT 30.6.2023

a. **Trikaya Project Management a.s.**,
ID No.: 051 86 234, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7566 (hereinafter referred to as "Trikaya Project Management")

b. **Trikaya nemovitostní fond SICAV, a.s.**,
ID No.: 070 04 311, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7933 (hereinafter referred to as "Trikaya nemovitostní fond SICAV"). The parent company owns founder shares in this company, which carry with them the right to elect and dismiss the Supervisory Board and the statutory body, the Board of Directors. These shares do not carry with them the right to a share in the profits and other distributions from the fund part of Trikaya nemovitostní fond SICAV. This company therefore does not form part of the consolidation group.

c. **AIKONA, a.s.**,
ID No.: 269 19 729, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 4113 (hereinafter referred to as "AIKONA")

d. **Mall Vienna Brno a.s.**,
ID No.: 066 79 978, with registered office at Vídeňská 132/100, Dolní Heršpice, Brno 619 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 8038 (hereinafter referred to as "Mall Vienna Brno")

e. **Trikaya RRE a.s.**,
ID No.: 050 20 131, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7530 (hereinafter referred to as "TRIKAYA RRE")

f. **NEUMANN bytový dům a.s.**,
ID No.: 277 18 506, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 4836 (hereinafter referred to as "NEUMANN bytový dům")

g. **PONAVIA REZIDENCE III a.s.**,
ID No.: 041 28 010, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7317 (hereinafter referred to as "Ponavia Rezidence III")

h. **PONAVA CENTRUM a.s.**,
ID No.: 282 62 662, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register kept by the Regional Court in Brno, Section B, Insert 5434 (hereinafter referred to as "PONAVA CENTRUM")

i. **The Landmark Building a.s.**,
ID No.: 031 50 895, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7092 (hereinafter referred to as "The Landmark Building")

j. **Developer Brno Hády a.s.**,
ID No.: 269 79 438, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 6444 (hereinafter referred to as "Developer Brno Hády")

k. **TRIKAYA, družstvo**,
ID No.: 292 92 247, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register kept by the Regional Court in Brno, Section Dr, Insert 5075 (hereinafter referred to as "TRIKAYA, družstvo")

l. **Bytové družstvo Staňkova 30**,
ID No.: 035 67 621, with registered office at Staňkova 378/30, Ponava, Brno 612 00, registered in the Commercial Register kept by the Regional Court in Brno, Section Dr, Insert 5503 (hereinafter referred to as "Bytové družstvo Staňkova 30")

m. **TRIKAYA TPB a.s.**,
ID No.: 058 06 097, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7684 (hereinafter referred to as "Trikaya TPB")

n. **ABILET Company s.r.o.**,
ID No.: 047 65 605, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 94468 (hereinafter referred to as "ABILET Company")

o. **Železniční Komárov s.r.o.**,
ID No.: 077 16 494, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 109809 (hereinafter referred to as "Železniční Komárov")

p. **Trikaya CRE a.s.**,
ID No.: 090 21 345, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 8361 (hereinafter referred to as "Trikaya CRE")

q. **OC Řepy a.s.**,
ID No.: 282 05 219, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 7924 (hereinafter referred to as "OC Řepy")

r. **Euro Mall Brno Real Estate s.r.o.**,
ID No.: 261 61 478, with registered office at Vídeňská 132/100, Dolní Heršpice, 619 00 Brno, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 110724 (hereinafter referred to as "Euro Mall Brno Real Estate")

s. **První Železniční Komárov s.r.o.**,
ID No.: 080 59 969, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 111671 (hereinafter referred to as "První Železniční Komárov").

t. **Trikaya Residential a.s.**,
ID No.: 141 42 929, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 8657 (hereinafter referred to as "Trikaya Residential").

u. **Čtvrť Pod Hády a.s.**,
ID No.: 173 92 357, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section B, Insert 8732 (hereinafter referred to as "Čtvrť Pod Hády").

v. **Čtvrť Pod Hády I s.r.o.**,
ID No.: 192 75 188, with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 133843 (hereinafter referred to as "Čtvrť Pod Hády I").

w. **Trikaya Energy s.r.o.**,
ID No.: 180 24 955 with registered office at Šumavská 519/35, Brno 602 00, registered in the Commercial Register maintained by the Regional Court in Brno, Section C, Insert 132624 (hereinafter referred to as "Trikaya Energy").

GROUP BALANCE SHEET DATE

The consolidated financial statements of the Group have been prepared as at and for the year ended 30 June 2024.

7. Application of new and amended International Financial Reporting Standards (IFRS) as adopted by the European Union

INITIAL APPLICATION OF MODIFICATIONS TO EXISTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT PERIOD

In the current period beginning July 1, 2023 The Company has applied the following amendments to existing IFRS standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union that are effective for fiscal years beginning on or after January 1, 2023.

Most of these amendments to IFRSs generally require full retrospective application (i.e. the comparative period amounts need to be restated), but some amendments allow only prospective adjustment (i.e. no adjustment to comparative period amounts) or 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 12 Income Taxes: International Tax Reform – Model Pillar 2 Rules
- Amendments to IAS 1 and IFRS Statement No 2 Disclosure of Accounting Policies
- IFRS 17 Insurance Contracts
- Amendments to IAS 8 Definitions of Accounting Estimates

The amendments to IFRS 17 Insurance Contracts are not relevant to the Group.

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 added paragraphs 15 and 24 in IAS 12 Income Taxes, which will no longer apply to transactions that give rise to the same taxable and deductible temporary differences on initial recognition.

For some transactions, IFRSs require simultaneous recognition of an asset and a liability. As a result, IAS 12 could also require the recognition of offsetting temporary differences. Prior to the amendments, it was not clear whether IAS 12 required the recognition of deferred taxes for these temporary differences or whether the initial recognition exemption applied. The exception prohibits an entity from recognising deferred tax assets and liabilities on initial recognition of an asset or liability for a transaction that is not a business combination and does not affect accounting or taxable profit.

AMENDMENTS TO IAS 12 INCOME TAXES: INTERNATIONAL TAX REFORM – MODEL PILLAR 2 RULES

The standard extends the scope to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar 2 model rules published by the OECD. It also introduces a temporary exemption for the recognition of a deferred tax asset/liability related to income taxes under Pillar 2.

Amendment to IAS 12 Income Taxes: International Tax Reform – Pillar II Rules, which introduced an exemption from the requirements in IAS 12 whereby an entity will not capture and disclose deferred tax information in relation to the OECD Pillar. The subsidiary is not affected by the requirements of this new regulation as its consolidated revenue is not EUR 750 million or more, therefore there are no impacts on these financial statements from this regulation or the related amendment to IAS 12.

AMENDMENTS TO IAS 1 AND IFRS STATEMENT NO 2 DISCLOSURE OF ACCOUNTING POLICIES

Amendments to IAS 1 were issued on 12 February 2021. The amendments change the disclosure requirements of IAS 1 relating to accounting policies. Upon application of the amendments, entities will disclose their substantive accounting policies instead of their material accounting policies. The previous amendments to IAS 1 address the concept of materiality and explain how an entity can identify significant accounting policies.

In support of these adjustments, the IASB has developed procedures and examples that explain and demonstrate the application of the 'four-step materiality process' described in IFRS Opinion No 2.

This amendment has no impact on the modification of the Notes to the financial statements.

AMENDMENTS TO IAS 8 DEFINITIONS OF ACCOUNTING ESTIMATES

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

The amendments to IAS 8 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.

The commencement of compliance with these modifications to existing standards did not result in any changes to the Company's accounting policies.

NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS ISSUED BY THE IASB AND ADOPTED BY THE EU THAT ARE NOT YET EFFECTIVE

At the date of approval of these financial statements, amendments or revisions to IFRS have been approved and are mandatory for application in the EU (and would permit earlier application) for periods beginning on or after 1 January 2024:

- **Amendments to IAS 1** Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- **Amendments to IFRS 16** Leases: Lease Obligation on Leaseback
- **Amendments to IAS 7** Statement of Cash Flows
- **Amendments to IFRS 7** Financial Instruments: Disclosures

The Company does not anticipate that the adoption of the above modifications to existing standards will have a material impact on the Company's financial statements in future periods.

NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS ISSUED BY THE IASB BUT NOT YET ADOPTED BY THE EUROPEAN UNION

The following modifications to existing standards have not yet been approved for use in the EU and therefore could not be applied by the Company:

- **Amendments to IAS 21** The Effects of Changes in Exchange Rates: Lack of Convertibility
- **IFRS 18** Presentation and Disclosures in Financial Statements

The Company has not yet evaluated the impact on the Company's financial statements of complying with these new standards and modifications to existing standards in the period of first-time adoption.

8. Accounting rules

BASIS FOR ACCOUNTING

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS accounting standards) as adopted for use in the European Union.

The information in the notes to the consolidated financial statements is based on the entity's accounting records and other documentation available to the entity. Only significant information for the purpose of assessing the Group's financial position and assets and position from the perspective of external users is presented in the notes.

For the reported data for the reporting period 1.7.2023-30.6.2024, comparable data for the previous reporting period 1.7.2022-30.6.2023 are presented.

The financial statements are prepared using the historical cost basis of accounting, except for the revaluation of certain assets and financial instruments which are measured at revalued amounts or fair values at the end of each financial year as set out in the accounting policies below. Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to assume a liability in an orderly transaction between market participants at the measurement date, whether the price is observable or estimated using another valuation technique. In determining the fair value of an asset or liability, the Group considers the characteristics of the asset or liability that market participants would consider in pricing the asset or liability at the measurement date. Fair value for the purposes of measurement and/or disclosure in these consolidated financial statements is determined in this manner, except for lease transactions governed by IFRS 16 Leases and valuations that share certain characteristics with fair value but are not fair value, such as net realisable value under IAS 2 Inventories or value in use under IAS 36 Impairment of Assets.

THE ENTITY'S ABILITY TO CONTINUE AS A GOING CONCERN

At the time the financial statements were approved, the management of the Company had a reasonable expectation that the Group would have the necessary resources to continue in operational existence for the foreseeable future. Accordingly, in preparing the financial statements, the Company's management has applied the accounting assumption that the entity will be able to continue as a going concern.

STARTING POINTS FOR CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and of the Group entities controlled by the Company (its subsidiaries) for the year ended 30 June each year. Control is achieved when the Company:

- has power over the unit in which it was invested,
- is exposed to, or has the right to, variable returns by virtue of its exposure to the investee; and
- has the ability to use its power over the investee to influence the level of its returns.

The Company shall reassess whether or not it has control over an investee if the facts and circumstances indicate that one or more of the elements of control described above have changed. If the Company holds less than a majority of the voting rights of the investee, it has control over the investee if the voting rights are sufficient to give it the effective ability to unilaterally direct the relevant activities of the investee. The Company will take into account all relevant facts and circumstances in considering whether or not the Company's voting rights in the investee are sufficient to confer power, which includes:

- the size of the Company's share of voting rights depending on the size and distribution of the shares of other holders of voting rights,
- potential voting rights held by the Company, other holders of voting rights or other parties,
- rights under other contractual arrangements; and
- any other facts and circumstances that indicate that the Company currently has or does not have the ability to manage the relevant activities at the time the decision needs to be made, including voting patterns at previous shareholder meetings.

The consolidation of a subsidiary begins when the Company obtains control of the subsidiary and ends when the Company loses control of the subsidiary. Specifically, the results of a subsidiary acquired or sold during the year are included in the income statement from the date the Company obtains control until the date the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Group. Certain Group companies do not have an accounting period ending on 30 June and therefore their accounts have been restated for the period 1 July – 30 June for consolidation purposes.

All intercompany assets, liabilities, equity, income, expenses and cash flows related to transactions between members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the Company. These non-controlling interests, which are current ownership interests and entitle their holders to receive a proportionate share of the net assets on liquidation, may be measured at initial recognition at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The method of measurement may be selected on an acquisition-by-acquisition basis. Other non-controlling interests are measured at fair value on initial recognition. After the acquisition, the carrying amount of the non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The profit or loss and all components of other comprehensive income are attributed to the owners of the Company and the non-controlling interests. The full result of subsidiaries is attributed to the owners of the Company and the non-controlling interests, although this would result in the non-controlling interests having a negative balance.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and non-controlling interests are adjusted to reflect changes in the relative interests in subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and allocated to the owners of the Company.

If the Group loses control of a subsidiary, the gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any interest that the Group retains and (ii) the previous carrying amount of the assets (including goodwill) less the liabilities of the subsidiary and any non-controlling interests. Any amounts previously recognised in other comprehensive income in respect of that subsidiary are accounted for as if the Group had sold the directly attributable assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred directly to another category of equity as required or permitted by the relevant IFRS).

The fair value of any investment, if any, that the Group retains in a former subsidiary at the date of loss of control is treated as fair value on initial recognition for subsequent recognition under IFRS 9 Financial Instruments or, if appropriate, as cost on initial recognition of an investment in an associate or joint venture.

CORRECTION OF COMPARABLE PERIOD

During the financial year, the Company identified transactions related to a prior period that were incorrectly reflected in the consolidated financial statements for that period.

Management has decided to restate the comparative period and the comparative figures in the financial statements and notes have been adjusted accordingly. The adjustments do not affect the profit for the period or the equity. The individual adjustments are quantified below.

Consolidated statement of profit and loss and comprehensive income for the financial year ending 30 June 2023

(in thousands CZK)	Comparable period originally	Comparable period corrected	The Difference
Other costs	–32,682	–107,782	–75,100
Administrative costs	–21,768	–21,768	0
Legal costs	–1,207	–1,207	0
Consultancy	–971	–45,891	–44,920
Land for construction	0	–1,932	–1,932
Construction work	0	–28,248	–28,248
Audit and accounting	–6,598	–6,598	0
Other operating costs	–2,138	–2,138	0
Net capitalisation related to development activities	28,103	157,191	129,088
Interest income (+)/Interest expense (-), net	**–154,336**	**–208,324**	**–53,988**

RELATED PARTIES

Related Parties of the Company means:

- parties that may directly or indirectly exercise a decisive influence over the Company and companies where such parties have a decisive or significant influence,
- parties that may directly or indirectly exercise significant influence over the Company,
- members of the statutory, supervisory and management bodies of the Company or its parent company and persons close to such persons, including companies where such members and persons have a significant or decisive influence.

CORPORATE COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, the Group's liabilities incurred by the former owners of the acquiree and the shares issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and liabilities assumed are stated at their fair values, with the following exceptions:

- deferred tax assets or liabilities and assets and liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively,
- liabilities or equity instruments related to share-based payment arrangements in the acquiree or share-based payment arrangements replacing share-based payment arrangements in the acquiree are measured at the acquisition date in accordance with IFRS 2 Share-based Payment (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any equity interest in the acquiree previously held by the acquirer over the amount of the identifiable assets acquired and liabilities assumed measured at the acquisition date. If, on reassessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any equity interest in the acquiree previously held by the acquirer, the excess is recognised as a gain on bargain purchase on a non-recurring basis in profit or loss.

If the consideration transferred by the Group in a business combination contains a contingent consideration arrangement, the contingent consideration is measured at fair value at the acquisition date and becomes part of the consideration transferred in the business combination. Changes in the fair value of the contingent consideration that are classified as changes within the completion period are made retrospectively with a related adjustment to goodwill. Changes within the completion period are changes that result from additional information obtained during the 'completion period' (which shall not exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Subsequent accounting for changes in the fair value of contingent consideration that cannot be treated as changes within the completion period depends on the classification of the contingent consideration. Contingent consideration that is classified as equity is not revalued at the dates of subsequent financial statements and its subsequent settlement is charged to equity. Other contingent consideration is remeasured at fair value at the dates of subsequent financial statements with the related fair value changes recognised in profit or loss.

If the business combination is achieved in stages, the Group's previously held interests in the acquiree (including joint operations) are remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that were previously recognised in other comprehensive income are reclassified to profit or loss if that would have been the correct treatment if the interest had been sold.

If the initial accounting for a business combination is not resolved by the end of the financial year in which the combination takes place, the Group recognises the outstanding items in the provisional measurement. These provisional amounts are adjusted during the completion period (see above) or additional assets and liabilities are recognised to reflect newly acquired information about facts and circumstances that existed at the acquisition date and that, if known, would have affected the amounts determined at that date.

GOODWILL

Goodwill is measured on initial recognition as set out above.

Goodwill is not written off, but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the combination. For cash-generating units to which goodwill has been allocated, impairment testing is performed annually or more frequently if there is an indication that the unit may be impaired. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is allocated so as to reduce first the carrying amount of any goodwill allocated to the unit and then the carrying amount of the other assets of the unit on a pro rata basis based on the carrying amount of each asset of the unit. An impairment loss on goodwill is not derecognised in a subsequent period.

When the relevant cash-generating unit is sold, the related amount of goodwill is included in the gain or loss on sale.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policies of an investee, but it is not control or joint control over those policies.

A joint venture is a joint arrangement in which the parties who jointly control the arrangement have rights to the net assets of the arrangement. Joint control is a contractually agreed sharing of control over an arrangement that exists when decisions about relevant activities require the unanimous consent of the parties sharing control.

The profit or loss, assets and liabilities of associates or joint ventures, if any, have been accounted for in these financial statements using the equity method, except for investments classified as held for sale. In this case, IFRS 5 was followed.

Under the equity method, on initial recognition, investments in associates or joint ventures are recognised in the consolidated statement of financial position at cost and subsequently adjusted for the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. If the Group's share of the losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (including any long-term interests that are substantially all of the Group's net investment in that associate or joint venture), the Group ceases to recognise its share of the other losses. Further losses are recognised only when the Group has incurred legal or constructive obligations or has made payments on behalf of the associate or joint venture.

An investment in an associate or joint venture shall be accounted for using the equity method from the date on which the investee becomes an associate or joint venture. When an investment in an associate or joint venture is acquired, any excess of the cost of the acquisition over the Group's interest in the net fair value of the investee's identifiable assets and liabilities is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the acquisition is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are used to determine whether an impairment loss should be recognised in respect of the Group's investment in an associate or joint venture. If necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (the higher of its value in use and fair value less costs to sell) with its carrying amount. The impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. All reversals of impairment losses are recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group shall cease to apply the equity method from the date on which the investment ceases to be an associate or joint venture. Where the Group retains an interest in a former associate or joint venture and the retained interest is a financial asset, the Group measures any retained interest at fair value at that date and that fair value is deemed to be the fair value on initial recognition of the financial asset in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method is discontinued and the fair value of any retained interest and the gain on sale of part of the interest in the associate or joint venture is included in the determination of the gain or loss on sale of the associate or joint venture. In addition, the Group recognises any amounts previously recognised in other comprehensive income in respect of that associate as if the associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is sold.

If the Group reduces its ownership interest in an associate or joint venture, but continues to use the equity method, it reclassifies to profit or loss the portion of the gain or loss previously recognised in other comprehensive income that relates to that reduction in ownership interest if that gain or loss would have been reclassified to profit or loss on the sale of the related assets or liabilities.

Where a Group entity deals with an associate or joint venture of the Group, gains and losses arising from transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of the interests in the associate or joint venture that are not held by the Group.

The Group applies IFRS 9, including impairment requirements, to long-term interests in associates or joint ventures to which it does not apply the equity method and which form part of the net investment in the investee. In addition, in applying IFRS 9 to long-term interests, the Group does not take into account the adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests resulting from the allocation of losses of the investee or the impairment assessment in accordance with IAS 28).

REVENUE RECOGNITION

The Group recognises revenue from the following main sources:

- construction and sale of real estate projects
- construction, rental and management of own properties
- management of foreign real estate.

Revenue is measured based on the consideration to which the Group expects to be entitled under the contract with the lessee, purchaser or customer and does not include amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of the product or service to the customer.

a) Construction and sale of real estate projects

The Group is engaged in the construction and sale of real estate projects in the Czech Republic. This type of activity can be divided into 2 categories:

- Construction and sale of residential properties and
- Construction and sale of commercial real estate.

Construction and sale of residential real estate
During the construction of residential properties, forward purchase contracts are entered into where the prospective purchaser pays the Group a deposit for the purchase, which is accounted for as a current or non-current contractual obligation. Upon receiving occupancy permit, the full purchase price is paid by the prospective purchaser and the purchase agreement is signed. On the date the title is transferred to the purchaser at the land registry, the Group recognizes the revenue.

Construction and sale of commercial real estate
In the case of the construction of a commercial project that is not part of a residential property and is intended for sale, during the construction of the commercial project, the future buyer must pay the deposit for the purchase under the future purchase contract and once the building recieves occupacy

permit, the full purchase price under the future purchase contract. The sale is accounted for at the time of signing the purchase agreement for the property and the transfer of title to the land register or at the time of signing the share purchase agreement in the case of a sale of the entire subsidiary undertaking the development of the property.

b) Construction, rental and management of own real estate projects

The Group is engaged in the construction and leasing of its own real estate projects in the Czech Republic. This type of activity can be divided into 2 categories:

- Construction and rental of residential properties and
- Construction and rental of commercial real estate.

Construction and rental of residential real estate
The Group is primarily engaged in the development and sale of residential properties and therefore does not currently have any residential projects in its portfolio or plans to lease.

Construction and rental of commercial real estate
In the case of the construction of a commercial project intended to be leased and operated, future lease agreements are entered into with future tenants during the construction of the commercial project. Once the building recieves occupancy permit and the lease agreement is signed, the tenant begins to pay rent and utilities, which are recognized in revenue, according to the terms of the lease agreement. The Group may subsequently decide to sell the entire property to a specific buyer after the completion of the lease or at any time before.

c) Management of foreign real estate

The Group is also involved in the management of properties that are no longer owned by the Group but which the Group has previously developed and sold. These may be shopping malls, office buildings or predominantly residential projects that the Group has built and sold to specific owners, where the Group provides additional building management and management services to the individual unit owner communities after the sale through its subsidiary Trikaya Project Management. These services are invoiced under the property management contracts on a monthly basis based on a defined fixed fee or a summary of services for the month.

LEASING

a) Group as a tenant

The Group assesses whether a contract is in the nature of a lease or contains a lease at the inception of the contract. The Group recognises right-of-use assets and related lease liabilities for all lease arrangements where it is the lessee, except for short-term leases (with lease terms of 12 months or less) and leases of low-value assets (e.g. tablets and personal computers, small office furniture and telephones). For these leases, the Group recognises lease payments as operating expenses on a straight-line basis over the lease term, unless there is another systematic basis that better reflects the pattern of consumption of the benefits of the leased asset.

The lease liability is initially measured at the present value of the lease payments outstanding at the commencement date and discounted at the implicit interest rate of the lease. Where this rate cannot be readily determined, the Group uses an incremental borrowing rate.

The incremental borrowing rate depends on the duration, currency and commencement date of the lease and is determined based on a number of inputs, including a risk-free rate based on government bond rates, a country-specific risk adjustment, a credit risk adjustment based on bond yields and an entity-specific adjustment if the risk profile of the entity entering into the lease is different from that of the Group and the lease does not benefit from a guarantee provided by the Group.

Lease payments included in the measurement of the lease liability include:

- Fixed lease payments (including substantially fixed payments), less lease incentive receivables,
- Variable lease payments dependent on an index or rate that were initially valued based on the index or rate at the commencement date,
- the amount expected to be payable by the lessee under the residual value guarantees,
- the exercise price of the call option if it is reasonably certain that the lessee will exercise the option,
- payment of lease termination penalties if the lease term reflects the lessee's exercise of the lease termination option.

In addition, the lease liability is measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and decreasing the carrying amount to reflect the lease payments made.

The Group remeasures a lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- the term of the lease has changed or a significant event or change in circumstances has occurred that has resulted in a change in the assessment of the exercise of the option to purchase; in this case, the lease liability is remeasured by discounting the revised lease payments at the revised discount rate,
- lease payments have changed because of a change in an index or rate or a change in expected payments under residual value guarantees; in this case, the lease liability is remeasured by discounting the revised lease payments at the unchanged discount rate (except when the change in lease payments is due to a change in floating interest rates, in which case the revised discount rate is used),
- the lease is modified and the lease modification is not accounted for as a separate lease; in this case, the lease liability is remeasured based on the term of the modified lease by discounting the revised lease payments at the revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the reporting periods.

Right-of-use assets include the initial measurement of the related lease liability, lease payments made on or before the commencement date less any lease incentives received and initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

If the Group incurs an obligation to pay the costs of dismantling and removing the leased asset, restoring the site to its original condition or restoring the underlying asset to the condition required by the terms of the lease, a provision is recognised and measured in accordance with IAS 37. To the extent that the cost relates to a right-of-use asset, the cost is included in the related right-of-use asset, except to the extent that the cost is incurred to produce inventories.

Right-of-use assets are depreciated over the shorter of the lease term or the useful life of the right-of-use asset. If the lease transfers ownership of the underlying asset or if the cost of the right-of-use asset reflects the fact that the Group expects to exercise the option to purchase, the right-of-use asset is amortised over the useful life of the underlying asset. Amortisation commences from the commencement date of the lease.

There were no options attached to the lease agreements during the reporting periods.

Right-of-use assets are reported on a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any impairment losses identified as described in the accounting policies for property, plant and equipment.

Variable rentals that are not index or rate dependent are not included in the measurement of the lease liability and right-of-use asset. The related payments are recognised as an expense in profit or loss in the 'Other expenses' line in the period in which the event or condition that triggers the payments occurs.

As a practical expedient, IFRS 16 allows a lessee not to separate the non-lease components and instead to account for any lease and related non-lease components as a single arrangement. The Group has not taken advantage of this practical expedient. For contracts containing a lease component and one or more other lease or non-lease components, the Group allocates the consideration in the contract to the individual lease components based on the relatively independent cost of the lease component and the aggregate separate cost of the non-lease components.

b) Group as lessor

By the nature of its business, the Group enters into lease agreements as operating leases for non-residential units in shopping centres (or even apartment buildings, garages and other similar assets) as lease agreements where it transfers the asset to the tenant for its business activities. The asset may include equipment that the Group also leases as part of an operating lease. Rental income from operating leases is recognised in the income statement as rental income from property, plant and equipment. The Group leases residential and non-residential units within owned investment property or other tangible fixed assets.

FOREIGN CURRENCIES

In preparing the financial statements of the Group's individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are reported using the exchange rate at the date of the transaction. At each financial statement date, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at that date. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date the fair value is determined. Non-monetary items that are measured at historical cost expressed in a foreign currency are not translated.

Exchange differences are recognised in profit or loss in the period in which they arise, except:

- exchange differences associated with foreign currency borrowings on investments in progress for future productive use that are included in the cost of those assets; these exchange differences are treated as adjustments to interest expense on those foreign currency borrowings,
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below, financial instruments/hedge accounting); and
- foreign exchange differences on monetary items in the form of a receivable from or payable to a foreign operation that are neither scheduled to be settled nor likely to be settled in the foreseeable future (and therefore form part of the net investment in the foreign operation) and are initially recognised in other comprehensive income and reclassified from equity to profit or loss on the sale or partial sale of the net investment.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the date of the financial statements. Revenue and expense items are translated using the average exchange rates for the period. If exchange rates have fluctuated significantly during the period, the exchange rate at the date of the transaction is used. Exchange differences, if any, are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (with a corresponding allocation to non-controlling interests).

On the sale of a foreign operation (i.e. on the sale of the Group's entire interest in a foreign operation or on a sale that results in a loss of control of a subsidiary of which the foreign operation is a part, or on a partial sale of interests in a joint arrangement or associate, of which the foreign operation is a part and the remaining interest becomes a financial asset), any exchange differences relating to that operation accumulated in the foreign currency translation reserve attributable to the owners of the Company are reclassified to profit or loss.

In addition, in respect of a partial sale of a subsidiary that involves a foreign operation and does not result in a loss of control of the subsidiary, a proportionate amount of the cumulative exchange differences is re-allocated to non-controlling interests without being recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in a loss of significant influence or joint control), the proportionate part of the cumulative exchange differences is reclassified to profit or loss.

Any goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the exchange rate prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (ie an asset that necessarily takes a substantial period of time to be ready for its intended use or sale) are added to the cost of that asset until the asset is substantially ready for its intended use or sale. This results in the capitalisation of borrowing costs to the cost of the investment property or inventories.

When variable rate borrowings are used to finance an eligible asset and are hedged by an effective cash flow hedge with respect to interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the eligible asset affects profit or loss. If fixed rate borrowings are used to finance the qualifying asset and are hedged by an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Investment income from the temporary investment of specific loans until they are issued to an eligible asset is deducted from borrowing costs that meet the criteria for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

STATE SUBSIDIES

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

A government grant that is receivable to compensate for costs already incurred or losses already sustained or to provide immediate financial assistance to the Group with no future related costs is recognised as a receivable from the grantor in the period in which the grant is authorised for payment against assets. If the costs incurred are expensed, the receivable is charged to profit or loss against those costs incurred.

The benefit arising from a government loan bearing interest at a rate below the market rate is accounted for as a government subsidy and measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

SHORT-TERM AND OTHER LONG-TERM EMPLOYEE BENEFITS

A liability is recognised for employee benefits relating to salaries and wages, vacation and sick leave in the period in which the related service is rendered at the undiscounted amount of the benefit expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefit expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of estimated future cash flows expected to be received by the Group in respect of services rendered to employees up to the date of the financial statements.

TAXES

Income tax includes current and deferred tax.

a) Tax payable

The tax payable is calculated on the basis of the taxable profit for the period. Taxable profit differs from net profit, which is recognised in profit or loss, because it does not include items of income or expense that are taxable or deductible in other years or items that are not taxable or deductible. The Group's tax payable is calculated using tax rates enacted or substantively enacted by the date of the financial statements.

Provisions are recognised when the determination of tax is uncertain but it is probable that an outflow of resources will be made to the tax authority. Provisions are measured as the best estimate of the expected amount of the liability. The judgement is based on the judgement of the Company's tax professionals, supported by previous experience of such activities and, in certain cases, tax advice from independent specialists.

b) Deferred tax

Deferred tax is tax expected to be payable or receivable on differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised when the temporary difference arises from the initial recognition (other than in a business combination) of assets or liabilities in a transaction that does not affect taxable or accounting profit. A deferred tax liability is also not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and interests in joint ventures except where the Group is able to time the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets for deductible temporary differences arising on such investments and interests are recognised only to the extent that it is probable that taxable profit against which the deductible temporary differences can be utilised will be realised and it is more likely than not that the temporary differences will reverse in the foreseeable future.

The carrying amount of deferred tax assets is assessed at each balance sheet date and is reduced if it is no longer probable that future taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax is calculated using the tax rate that will apply in the period in which the liability is payable or receivable is realised, based on tax laws and rates enacted or substantively enacted at the date of the financial statements.

The measurement of deferred tax liabilities and assets takes into account the tax consequences that will arise from the manner in which the Group expects to settle or recover the carrying amounts of its assets and liabilities at the end of the reporting period.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment property that is measured using the fair value model, the carrying amounts of such investment property are assumed to be recovered in full through sale unless the assumption is rebutted. The presumption is rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time rather than through sale. Management has reviewed the Group's portfolio of investment properties and concluded that none of the Group's investment properties are held within a business model that seeks to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, management determined that the presumption of sale established under the amendments to IAS 12 has not been rebutted.

Deferred tax assets and liabilities are offset when there is an enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes imposed by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

c) Current and deferred tax for the period

Current and deferred tax is included in profit or loss except to the extent that it relates to items that are recognised either in other comprehensive income or directly in equity, in which case current and deferred tax is also recognised in other comprehensive income or directly in equity. If current or deferred tax arises on initial recognition of a business combination, the tax effect is included in the accounting for the business combination.

LAND, BUILDINGS AND EQUIPMENT

Property, plant and equipment are initially recognised at cost, which includes the acquisition price and acquisition-related costs. The Group accounts for items in *Property, plant and equipment* that are not part of the development activity and therefore part of investment property. The exception to this is properties that have been constructed for the purpose of sale (typically residential projects which are accounted for as *Inventories*), but are leased and depreciated until the asset is sold. In this case, they are accounted for as *Buildings*. These are predominantly properties that are leased for business purposes (typically retail units). In the case of completed or uncompleted units in residential projects, these properties are accounted for as inventories.

Uncompleted investments held for use in production, supply or administrative purposes or for purposes not yet specified are carried at cost less impairment losses. Cost includes professional fees and, in the case of qualifying assets, borrowing costs, which are capitalised in accordance with the Group's accounting policy. Depreciation of such an asset, like depreciation of other assets, commences when the asset is ready for its intended use using the straight-line method as follows:

Buildings	3% per annum

Land owned by the Company is not depreciated.

Plant, equipment, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided so that the full cost of the asset or the revalued amount (excluding land owned by the Company and investments in progress) less any residual value is allocated over the useful life of the asset, using the straight-line method, as follows:

Machinery and equipment	10–25% per annum
Accessories and equipment	3–10% per annum
Small assets	20–50% per annum

Estimated useful lives, residual values and the method of amortisation are reviewed at the end of each financial year, with the effect of any changes in estimates accounted for prospectively.

Right-of-use assets are amortised over the shorter of the lease term or the useful life of the underlying asset. If the lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the fact that the Group expects to exercise the call option, the related right-of-use asset is amortised over the useful life of the underlying asset.

Any item of property, plant and equipment is derecognised on sale or when no economic benefits are expected from the continued use of the asset. Any gain or loss on the sale or disposal of an item of property, plant and equipment is determined as the difference between the proceeds from the sale and the carrying amount of the asset and is recognised in profit or loss.

Technical improvements of tangible fixed assets made during the year, which in total exceed the value of CZK 80 thousand. They are classified as assets and depreciated in the same group as the appreciated assets.

If the asset's residual value exceeds its estimated recoverable amount, its residual value is reduced by that amount through a valuation allowance. The recoverable amount is determined based on the expected future cash flows generated by the asset.

INVESTING IN REAL ESTATE

Investment property, which is property held for the purpose of earning rental income and/or for the purpose of appreciation (including property under construction for future use as investment property), is recognised on initial recognition at cost, including transaction costs. After initial recognition, investment property is measured at fair value. Fair value is determined as described at the beginning of the *Financial Instruments* chapter, using a Level 3 valuation for investment property.

Fair value measurement
The valuation method and significant unobservable inputs used in determining the fair value of investment properties, as well as the correlation between key unobservable inputs and fair value, are detailed below.

Valuation methods used
Fair value is determined using the income approach, the market approach or the residual value method.

The valuation performed by the income approach is based on the estimated rental value of the property. Estimates of capitalization rates, expected vacancy rates and rental growth rates are made by an external appraiser or management based on comparable transactions and industry data. This approach is used for properties where construction has been completed.

Valuation is also affected by the type of tenants, the length of the lease and the period of non-payment of rent, the quality of the building and its location, and other positive and negative factors affecting the value of the property.

The market approach is used for properties with development potential and consists of a comparison with similar properties for which price information is available. Sampling takes into account location, constructability and size. The analysis and adjustment of differences between the subject property and a comparable property is performed by an external valuer or management.

The residual value method is used for properties with development potential where the use of the market approach is problematic. The projected value of the project upon completion, any anticipated costs required to complete the development and the profit from the development are estimated by an external valuer or management based on comparable transactions and industry data.

Significant assumptions / unobservable inputs

- Equivalent yield (7.951%)
- Expected vacancy rate (0% to 5.45%)

- Rent growth rate (0%)
- Non-payment period: 0-12 months for new leases

Correlation between key unobservable inputs and fair value

- The higher the equivalent yield and the expected vacancy rate, the lower the fair value.
- The longer the period of non-payment of rent, the lower the fair value.

Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Investment property is derecognised on sale or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its sale. Gains and losses arising on derecognition of the property (determined as the difference between the net disposal proceeds and the carrying amount of the asset) are included in profit or loss in the period in which the property is derecognised.

Costs related to investment property are charged directly to the balance sheet as a capital expenditure rather than to the income statement.

SEPARATELY ACQUIRED INTANGIBLE ASSETS

Separately acquired intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over the estimated useful lives shown below. The estimated useful lives and the method of amortisation are reviewed at the end of each financial year and the effect of any changes in estimates is accounted for prospectively. Separately acquired intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

Software	3–6 years

Technical improvements of intangible fixed assets carried out during the year, which in total exceed the value of 40 thousand CZK. They are classified as assets and depreciated in the same group as the appreciated assets.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS OTHER THAN GOODWILL

At the end of each financial year, the Group assesses the carrying amount of property, plant and equipment, investment property and intangible assets to determine whether there is any indication that the asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss. If the asset does not generate cash flows that are independent of other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If a reasonable and consistent basis for allocation can be determined, the enterprise-wide assets are allocated to a separate cash-generating unit. Otherwise, enterprise-wide assets are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis for allocation can be determined.

Intangible assets with indefinite useful lives are tested for impairment at least annually and at each indication of possible impairment at the end of the reporting period.

The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The impairment loss is taken directly to profit or loss unless the asset is carried at a revalued amount. In that case, the impairment loss is treated as a reduction in the revaluation of that asset and, if the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

If the impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to an adjusted estimate of its recoverable amount, but so that the increased carrying amount of the asset does not exceed the carrying amount that would have been determined if no impairment loss had been recognised in previous years. The reversal of an impairment loss is recognised immediately in profit or loss by eliminating the impairment loss recognised for the asset in prior years. Any increase in value above this amount is accounted for as an increase in the value of the revaluation reserve.

STOCKS

Inventories are valued at the lower of cost and net realisable value. Acquisition costs include direct labour costs and such overheads as are incurred in bringing the inventories to their present location and condition. Costs are calculated using the weighted average method. Net realisable value comprises the estimated selling price of the inventories less any estimated costs of completion and costs necessary for marketing, sales and distribution. The Group generally accounts for development projects in the permit preparation stage as *investment property*. Once planning permission has been obtained, a decision is made whether the development project will be constructed for rental or for sale and if sold, the project is reclassified to *inventory* in assets.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are measured at fair value on initial recognition, except for trade receivables that do not have a significant financing element, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognised immediately in profit or loss.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to assume a liability in an orderly transaction between market participants at the measurement date, whether the price is observable or estimated using another valuation technique. In determining the fair value of an asset or liability, the characteristics of the asset or liability that market participants would consider in pricing the asset or liability at the measurement date are taken into account. Fair value for the purposes of measurement and/or disclosure in these consolidated financial statements is determined in this manner, except for share-based payment transactions within the scope of IFRS 2 Share-based Payment, lease transactions governed by IFRS 16 Leases and awards that have certain characteristics in common with fair value but are not fair value, such as net realizable value under IAS 2 Inventories or value in use under IAS 36 Impairment of Assets.

For financial reporting purposes, fair value measurements are further classified into Level 1, Level 2 and Level 3 based on the extent to which the inputs to the fair value measurement are observable and the overall significance of the inputs to the fair value measurement:

- Level 1 – inputs are quoted prices (unadjusted) in active markets for the same assets or liabilities to which the entity has access at the measurement date.
- Level 2 – Inputs here are inputs other than quoted prices, as defined by Level 1, that are directly or indirectly observable for the asset or liability.
- Level 3 – inputs related to the asset or liability that are not directly observable.

FINANCIAL ASSETS

Financial assets with a maturity or intention to hold of more than one year are classified as non-current and financial assets with a maturity or intention to hold of less than one year are classified as current.

VALUATION OF FINANCIAL ASSETS AT ACQUISITION

Shares, securities and derivatives are valued at acquisition cost, including share premium and acquisition-related costs.

VALUATION OF FINANCIAL ASSETS AT THE BALANCE SHEET DATE

Trading securities, other securities and derivatives are measured at fair value. If it is not objectively possible to measure fair value under Level 1 and Level 2, securities are measured under Level 3 fair value measurements, with the Group selecting the most appropriate fair value measurement method for the asset. For the Group's financial assets, the carrying amount is not materially different from fair value.

FINANCIAL ASSETS

Spot purchases or sales of financial assets are recognised or derecognised at the trade date. Spot purchases or sales are purchases or sales of financial assets that require delivery of the assets within a time period specified by general law or market conventions. All recognised financial assets are subsequently remeasured as a whole at either accrued value or fair value depending on the classification of the financial assets.

CLASSIFICATION OF FINANCIAL ASSETS

Debt instruments that meet the following conditions are subsequently measured at accrued value:

- the financial asset is held within a business model that seeks to hold the financial asset to earn contractual cash flows; and
- the contractual terms of the financial asset specify specific dates for cash flows consisting solely of payments of principal and interest on the outstanding principal amount.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and by selling financial assets; and
- the contractual terms of the financial asset specify specific dates for cash flows consisting solely of payments of principal and interest on the outstanding principal amount.

All other financial assets are automatically measured at fair value through profit or loss (FVTPL). Notwithstanding the above, the Group may make the following irrevocable election/designation on initial recognition of a financial asset:

- The Group may irrevocably elect to recognise subsequent changes in the fair value of equity instruments in other comprehensive income if certain criteria are met (see (iii) below) and
- The Group may irrevocably designate a debt instrument that meets the criteria for measurement at amortised cost or fair value through other comprehensive income (FVTOCI) as at fair value through profit or loss (FVTPL) if this eliminates or significantly reduces a measurement or accounting mismatch (see (iv) below).

The Group generally does not own any financial assets that are measured in the ways described above.

(i) Accrued value and effective interest rate method

The effective interest rate method is a method of calculating the accrued value of a debt instrument and allocating the interest income to the relevant periods.

The effective interest rate of financial assets other than purchased or incurred credit-impaired financial assets (i.e. financial assets that are credit impaired at initial recognition) is a rate that exactly discounts estimated future cash receipts (including any fees paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, over the expected life of the debt instrument, or a shorter period if appropriate, to their gross accrued value at initial recognition. In the case of purchased or incurred credit-impaired financial assets, the credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the accrued value of the debt instrument at initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition less principal repayments plus, using the effective interest method, the cumulative amortisation of the difference between the amount recognised at initial recognition and the amount at maturity, adjusted for any valuation allowance. Conversely, the gross carrying amount of a financial asset is the accrued value of the financial asset before adjustment for any valuation allowance.

Interest income is recognised using the effective interest rate method for debt instruments subsequently measured at accrued value and fair value through other comprehensive income (FVTOCI). For financial assets other than financial assets purchased or incurred that are credit impaired, interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset, except for financial assets that are subsequently credit impaired (see below). For financial assets that are subsequently credit impaired, interest income is recognised by applying the effective interest rate to the financial asset's accrued value. If, in subsequent accounting periods, the credit risk of credit-impaired financial instruments improves to the extent that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or incurred credit-impaired financial assets, the Group recognises interest income by applying the effective interest rate adjusted for credit risk to the accrued value of the financial asset from initial recognition. The gross basis is not reapplied to the calculation even if the credit risk of the financial asset subsequently improves to the extent that the financial asset is no longer credit impaired.

Interest income is recognised in profit or loss and included in the line 'Interest income and expense'.

(ii) Debt instruments classified as at fair value through other comprehensive income (FVTOCI)

Corporate bonds held by the Group are measured at fair value through other comprehensive income (FVTOCI). Fair value is determined as described at the beginning of the *Financial Instruments* section. Corporate bonds are measured at fair value plus transaction costs on initial recognition. Subsequently, changes in the carrying amount of these corporate bonds are recognised in profit or loss as a result of exchange differences (see below), impairment gains and losses (see below) and interest income calculated using the effective interest method (see (i) above). The amounts recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. Any subsequent changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated in the investment revaluation reserve. When these corporate bonds are derecognised, the cumulative past gains or losses recognised in other comprehensive income are reclassified to profit or loss.

The Group does not currently hold any corporate bonds in its assets.

(iii) Equity instruments designated as at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Group may make an irrevocable election (for each individual instrument) to designate investments in equity instruments as at fair value through other comprehensive income (FVTOCI). However, this designation is not possible if the equity investment is held for trading or is contingent consideration recognised by the acquirer in a business combination.

Investments in equity instruments at fair value through other comprehensive income (FVTOCI) are initially measured at fair value plus transaction costs. They are subsequently measured at fair value, with gains and losses from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. Cumulative gains or losses will not be reclassified to profit or loss on derecognition of equity investments but instead will be transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, except to the extent that they clearly represent a recovery of part of the cost of the investment. Dividends are recognised in the income statement on the line 'Financial income and expenses – other' (see 10.8).

The Group has designated all investments in equity instruments that are not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition.

Financial assets are held for trading if:

- was acquired primarily for the purpose of selling in the near future, or
- on initial recognition, are part of a portfolio of identified financial instruments that are jointly managed by the Group and for which there is recent evidence of trading undertaken for short-term profit; or
- are a derivative (other than a derivative that is a financial guarantee contract or serves as an effective hedging instrument).

(iv) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for measurement at amortised cost or fair value through other comprehensive income (FVTOCI) (see (i) to (iii) above) are measured at fair value through profit or loss (FVTPL). Specifically:

- Investments in equity instruments are classified as investments at fair value through profit or loss (FVTPL). The exception is equity investments that are neither designated by the Group as held for trading nor are contingent consideration arising from a business combination, these are measured at fair value through other comprehensive income (FVTOCI) on initial recognition (see (iii) above).

The Group currently has no significant investments in equity instruments.

- Debt instruments that do not meet the criteria for measurement at accrued value or fair value through other comprehensive income (FVTOCI) (see (i) and (ii) above) are classified as debt instruments at fair value through profit or loss (FVTPL). In addition, debt instruments that meet the criteria to be measured at either amortised cost or fair value through other comprehensive income (FVTOCI) may be designated as at fair value through profit or loss (FVTPL) on initial recognition if this eliminates or significantly reduces a measurement or accounting mismatch (an accounting mismatch) that might otherwise arise in measuring assets or liabilities or recognising the related gains and losses on another basis. The Group has not measured any debt instruments at fair value through profit or loss (FVTPL).

Financial assets at fair value through profit or loss (FVTPL) are measured at fair value at the end of each financial year, with all fair value gains and losses recognised in profit or loss to the extent that they are not part of a hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividends or interest earned on the financial asset and is included in the 'Other gains and losses' line. The method of determining fair value is set out above at the beginning of the *Financial Instruments* chapter.

CONVERSION OF FOREIGN CURRENCIES

Transactions carried out in foreign currencies are converted and accounted for at the exchange rate of the Czech National Bank valid on the date of the transaction.

The balances of monetary assets, receivables and liabilities denominated in foreign currencies were translated at the exchange rate published by the Czech National Bank at the balance sheet date. All foreign exchange gains and losses arising from the translation of monetary assets, receivables and liabilities are recognised in the profit and loss account.

EXCHANGE RATE GAINS AND LOSSES

The carrying amount of financial assets denominated in a foreign currency is determined in the relevant foreign currency and is translated using the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a hedging relationship, exchange differences are recognised in the income statement under the line 'Other gains and losses'.
- For debt instruments measured at fair value through other comprehensive income (FVTOCI) that are not part of a hedging relationship, exchange differences relating to the accrued values of the debt instruments are recognised in the income statement under 'Other gains and losses'. As the foreign currency element recognised in profit or loss is the same as if it were measured at accrued value, the remaining foreign currency element on an amortised cost basis (at fair value) is recognised in other comprehensive income within the investment revaluation reserve.
- For financial assets at fair value through profit or loss (FVTPL) that are not part of a hedging relationship, exchange differences are recognised in the income statement under the line 'Other gains and losses' as part of the gain or loss on changes in fair value.
- For equity instruments measured at fair value through other comprehensive income (FVTOCI), exchange differences are recognised in other comprehensive income within the investment revaluation reserve.

See the hedge accounting policy on the recognition of foreign exchange differences when the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises an allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or fair value through other comprehensive income (FVTOCI), lease receivables, trade receivables and contract assets, as well as financial guarantee contracts. The amount of expected credit losses is updated at each financial statement date to reflect changes in credit risk since the initial recognition of the relevant financial instrument.

The Group always recognises expected credit losses over the life of trade receivables, contract assets and lease receivables. Expected credit losses for these financial assets are estimated using an allowance matrix based on the Group's historical experience of credit losses adjusted for factors specific to the borrowers, general economic conditions and an assessment of current and estimated future conditions at the date of the financial statements, including the time value of money where relevant.

Details of the provisioning for trade receivables are described below.

For all other financial instruments, the Group recognises expected lifetime financial losses if there has been a significant increase in credit risk since initial recognition. However, if there has been no significant increase in credit risk since initial recognition, the Group calculates an allowance for loss on that financial instrument equal to 12 months of expected credit loss.

Expected lifetime credit losses are the expected credit losses that arise from all possible defaults over the expected life of the financial instrument. In contrast, 12-month expected credit losses represent the portion of expected credit losses over the life of the financial instrument that is expected to arise from defaults that may occur within 12 months after the financial statements date.

Significant increase in credit risk

In assessing whether the credit risk associated with a financial instrument has increased significantly since the date of initial recognition, the Group compares the risk of default on financial instruments at the reporting date with the risk of default on financial instruments at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without unreasonable cost or effort. Forward-looking information is considered to include the future prospects of the industries in which the Group's borrowers operate, obtained from expert economic opinions, financial analysts, governmental entities, relevant think tanks and other similar organisations, as well as by considering various external sources of current and future economic information relating to the Group's core operations.

In assessing whether there has been a significant increase in credit risk since initial recognition, the following information is considered:

- an actual or expected significant deterioration in the external (if available) or internal credit rating of the financial instrument;
- a significant deterioration in external market indicators of credit risk for a particular financial instrument, such as a significant increase in the credit spread, the price of credit default swaps on the borrower, or the time or extent to which the fair value of a financial asset was less than its accrual value;
- existing or future adverse changes in business, financial or economic conditions that are expected to result in a significant reduction in the borrower's ability to meet its debt obligations;
- an actual or expected material deterioration in the debtor's operating results;
- a significant increase in the credit risk of other financial instruments of the same obligor; and
- an actual or anticipated material adverse change in the borrower's regulatory, economic or technical environment resulting in a significant deterioration in the borrower's ability to meet its debt obligations.

Regardless of the outcome of the above assessment, the Group assumes that the credit risk associated with a financial asset has increased significantly since the date of initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information to the contrary.

Notwithstanding the above, the Group assumes that there has been no significant increase in the credit risk associated with a financial instrument since the date of initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument has low credit risk if:

1) the financial instrument has a low risk of default,
2) the borrower has a strong near-term ability to meet its contractual cash flow obligations; and
3) negative changes in economic and business conditions may or may not, in the longer term, limit the ability of the borrower to meet its contractual cash flow obligations.

The Group considers a financial asset to be at low credit risk if the external credit rating of the asset is 'investment grade' as defined by an internationally accepted definition or, if no external rating is available, the asset is internally rated as 'non-default'. Non-default means that the counterparty has a strong financial position and there are no outstanding amounts from previous periods.

In the case of financial guarantee contracts, the date on which the Group becomes a party to the irrevocable commitment is the date of initial recognition for the purpose of assessing the impairment of the financial instrument. In assessing whether there has been a significant increase in the credit risk of a financial guarantee contract since initial recognition, the Group considers changes in the risk that the obligor will not comply with the terms of the relevant contract.

The Group regularly monitors the effectiveness of the criteria for identifying whether there has been a significant increase in credit risk and revises them as necessary to ensure that the criteria identify a significant increase in credit risk before the amounts are past due.

(ii) Definition of failure

For the purposes of internal credit risk management, the Group considers the following situations to be defaults because, based on its past experience, the value of financial assets that meet one of the following criteria is generally not recoverable:

- if the counterparty breaches a financial provision, or
- information obtained internally or from external sources indicates that the debtor is unlikely to pay its obligations to creditors, including the Group, in full (regardless of the collateral held by the Group).

Notwithstanding the above analysis, the Group considers a default to have occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information demonstrating that it is more appropriate to set a later default point.

(iii) Credit-impaired financial assets

A financial asset is credit impaired if one or more events have occurred that have a negative impact on the estimated future cash flows associated with the financial asset. Evidence that a financial asset is credit-impaired includes observable information about the following events:

a) serious financial difficulties of the Group or the debtor,
b) a breach of contract, such as default or delinquency (see (ii) above),

c) the debtor's creditor(s) have granted relief(s) to the debtor for economic or contractual reasons related to the debtor's financial difficulties that the creditor(s) would not otherwise have granted,
d) it becomes likely that bankruptcy or other financial reorganisation of the debtor will be initiated,
e) the disappearance of an active market for the financial asset due to financial difficulties.

(iv) Depreciation policy

The Group derecognises a financial asset when there is information that the debtor is in severe financial difficulty and the value of the asset cannot reasonably be expected to be realised, for example, when the debtor has entered into liquidation or declared bankruptcy, or, in the case of trade receivables, when the receivables are more than three years past due, whichever is earlier. Written-off financial assets may still be recovered in accordance with the Group's recovery procedures and taking into account legal advice where relevant. Any amounts recovered are recognised in profit or loss.

(v) Determining and reporting expected credit losses

The determination of expected credit losses is a function of the probability of default, the loss given default (i.e. the amount of loss if default occurs) and the exposure at default. The assessment of probability of default and loss given default is based on historical data adjusted for forward-looking information as described above. The exposure at default for financial assets is the gross carrying amount of the assets at the date of the financial statements. For financial guarantee contracts, the exposure comprises the amount of guaranteed debt drawn down by the borrower at the reporting date together with any additional guaranteed amounts expected to be drawn down in the future up to the default date determined on the basis of historical development, the Group's understanding of the borrowers' specific future financing needs and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows due to the Group under the contracts and all cash flows expected to be collected, discounted at the original effective interest rate. For lease receivables, the cash flows used to measure expected credit losses are consistent with the cash flows used to measure the lease receivable in accordance with IFRS 16 Leases.

As in the case of a financial guarantee contract the Group is only obliged to make payments in the event of default of the borrower in accordance with the terms of the instrument covered by the guarantee, the allowance for expected losses represents the expected payments to compensate the holder for credit losses incurred, net of any amounts the Group expects to receive from the holder, the borrower or any other party.

Apart from trade receivables where the simplified approach is used (see text below), there are no other assets where the simplified approach or any other model is used to determine expected credit losses.

For trade receivables and other current receivables, the simplified method below for accounting allowances for trade receivables is applied:

- No allowance is made for outstanding invoices up to 6 months past due as the impact of these receivables on the results of operations is not material.
- For outstanding invoices more than 6 months but less than 12 months past due, an accounting allowance is made for 50% of the face value of the outstanding receivable, up to a maximum amount not covered by the statutory allowance made under the Provisions Act.
- An accounting allowance is made for outstanding invoices more than 12 months past due at 100% of the face value of the outstanding receivable, up to a maximum amount not covered by the statutory allowance made under the Provisions Act.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through an impairment allowance account.

CLAIMS

Receivables are stated at transaction price on initial recognition and subsequently adjusted for any allowance for doubtful and bad debts, the method of calculation of which is set out above in the *Determination and recognition* of expected credit losses section. Receivables acquired for consideration or by contribution are measured at cost less an allowance for doubtful accounts and bad debts.

DERECOGNITION OF FINANCIAL ASSETS

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. If the Group does not transfer or retain substantially all the risks and rewards of ownership of the asset and retains control of the transferred asset, it recognises the interest it retains in the transferred asset and the related liability arising from amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of the transferred financial asset, it continues to account for the financial asset and also accounts for the secured loan received.

On derecognition of a financial asset measured at accrued value, the difference between the carrying amount of the asset and the sum of the consideration received and the receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument measured at fair value through other comprehensive income (FVTOCI), the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument that the Group has elected to measure at fair value through other comprehensive income (FVTOCI) on initial recognition, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings of prior years.

FINANCIAL LIABILITIES AND EQUITY

CLASSIFICATION AS DEBT OR EQUITY

Debt and equity instruments are classified as either financial liabilities or equity based on the content of the contractual arrangements and the definitions of financial liability and equity instrument.

CAPITAL INSTRUMENTS

An equity instrument is any contract evidencing a residual interest in the assets of an entity after deduction of its liabilities. Equity instruments issued by the Group are stated at the value of the consideration received less direct issue costs.

The redemption of the Company's equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's equity instruments.

FINANCIAL LIABILITIES

All financial liabilities are subsequently measured at accrued value using the effective interest rate or at fair value through profit or loss (FVTPL). However, financial liabilities that arise when the transfer of a financial asset does not meet the derecognition criteria or requires the application of the continuing involvement method and financial guarantee contracts issued by the Group are measured under the specific accounting policies set out below.

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Financial liabilities are classified as financial liabilities at fair value through profit or loss if they are (i) contingent consideration recognised by the acquirer in a business combination, (ii) held for trading or (iii) designated as instruments at fair value through profit or loss.

Financial liabilities are classified as held for trading if:

- were acquired principally for the purpose of repurchase in the near future, or
- on initial recognition, are part of a portfolio of identified financial instruments that are jointly managed by the Group and for which there is recent evidence of trading undertaken for short-term profit; or
- are a derivative (other than a derivative that is a financial guarantee contract or serves as an effective hedging instrument).

Financial liabilities, other than financial liabilities held for trading or contingent consideration recognised by the acquirer in a business combination, may be designated as financial liabilities at fair value through profit or loss (FVTPL) on initial recognition if:

- such designation eliminates or significantly reduces a valuation or accounting mismatch that might otherwise arise; or
- the financial liability is part of a group of financial assets or financial liabilities, or both, that are managed and whose performance is assessed on a fair value basis and in accordance with the Group's documented risk management or investment strategy, and information about that group is reported internally on that basis; or
- is part of a contract that contains one or more embedded derivatives, and IFRS 9 allows the entire combined contract to be designated as at fair value through profit or loss (FVTPL).

Financial liabilities at fair value through profit or loss (FVTPL) are measured at fair value, with any resulting gain or loss on changes in fair value charged to profit or loss (unless they are part of a designated hedging relationship – see hedge accounting policy). The net gain or loss charged to profit or loss includes any interest paid on the financial liability and is included in the 'Other gains and losses' line in profit or loss.

However, for financial liabilities designated as at fair value through profit or loss (FVTPL), the amount of change in the fair value of the financial liability that results from a change in the credit risk of that liability is recognised in other comprehensive income unless recognising the effects of changes in the credit risk of that liability in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of the change in fair value is recognised in profit or loss. Changes in fair value that result from changes in the credit risk of a financial liability recognised in other comprehensive income are not subsequently reclassified to profit or loss but are transferred to retained earnings on derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group, which the Group designates as fair value through profit or loss (FVTPL) instruments, are recognised in profit or loss.

The fair value is determined as described above at the beginning of the *Financial Instruments* chapter.

FINANCIAL LIABILITIES SUBSEQUENTLY MEASURED AT AMORTIZED COST

Financial liabilities that are not (i) contingent consideration recognised by the acquirer in a business combination, (ii) held for trading or (iii) designated as fair value through profit or loss (FVTPL) are subsequently measured at accrual using the effective interest rate.

The effective interest rate method is a method of calculating the accrued value of a financial liability and the allocation of interest expense over a given period. The effective interest rate is the interest rate that exactly discounts estimated future cash payments (including any fees paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the financial liability or, if appropriate, over a shorter period, to the accrued value of the financial liability.

LOANS AND INTEREST COSTS

Loans are measured at accrued value using the effective interest rate. The portion of long-term loans that are repayable within one year of the financial statements date is also considered to be short-term loans.

Interest associated with the operation of the company is expensed and interest associated with the investment in the property is capitalised in the value of the property.

BONDS ISSUED

Bonds issued publicly and non-publicly are accounted for as a financial liability in the category *Long-term bonds issued* or *Short-term bonds issued* from the date of signing the subscription agreement with the underwriter and payment of the subscription price at the accrued value. Bonds that would be redeemed by the Group before the maturity date of the bonds, unless they are held for resale, are accounted for against the liability for the bonds issued as a reduction of the liability.

LIABILITIES UNDER FINANCIAL GUARANTEE CONTRACTS

A financial guarantee contract is a contract that requires the issuer to make certain payments to indemnify the holder for losses incurred when a particular obligor fails to pay amounts due in accordance with the terms of the debt instrument.

Liabilities under financial guarantee contracts are initially measured at fair value and (unless they are designated as instruments at fair value through profit or loss (FVTPL) and arise from the transfer of an asset) on subsequent measurement either

- the amount of the valuation allowance determined in accordance with IFRS 9 (see financial assets above), or
- the amount of initial recognition less accumulated amortisation, if any, in accordance with the above revenue recognition principles

whichever is higher.

EXCHANGE RATE GAINS AND LOSSES

For financial liabilities denominated in a foreign currency and measured at accrued value at the end of each reporting period, foreign exchange gains and losses are determined on the basis of the accrued value of the instruments. These exchange gains and losses are recognised in 'Financial income and expense' in the income statement for financial liabilities that are not part of a hedging relationship. For financial liabilities designated as a hedging instrument to hedge currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated using the spot rate at the end of the reporting period. For financial liabilities at fair value through profit or loss (FVTPL), the foreign currency component is included in gains and losses from changes in fair value and is recognised in profit or loss for financial liabilities that are not part of a hedging relationship.

DERECOGNITION OF FINANCIAL LIABILITIES

The Group derecognises financial liabilities only when the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the amount either paid or payable is recognised in profit or loss.

If the Group exchanges one debt instrument with an existing creditor for another with significantly different terms, the exchange is accounted for as extinguishing the original and recognising a new financial liability. Similarly, the Group accounts for a material modification to the terms of an existing liability or part of an existing liability as extinguishing the original and recognising a new financial liability. The terms are presumed to be materially different if the discounted present value of the cash flows under the new terms, including fees paid net of any fees collected and discounted using the original effective interest rate, differs by at least 10 per cent from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not material, the difference between (1) the carrying amount of the liability before the modification and (2) the present value of the cash flows after the modification is recognised in profit or loss as a gain or loss on modification within other gains and losses.

FINANCIAL DERIVATIVES

The Group may enter into financial derivative contracts to manage interest rate and currency risk, including currency forwards, options and interest rate swaps.

Derivatives are initially measured at fair value at the date the financial derivative contract is entered into and are subsequently remeasured to fair value at each financial statement date. The resulting gain or loss is recognised directly in profit or loss unless the derivative is designated or designated as a hedging instrument, in which case the timing of its recognition in profit or loss depends on the nature of the hedging relationship.

A derivative with a positive fair value is recognised as a financial asset, while a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has an enforceable right to offset and also intends to exercise that right. A derivative is recognised as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and the instrument will not be realised or settled within 12 months. Other derivatives are recognised as current assets or current liabilities.

Currently the Group does not have any derivatives to hedge interest rate or currency risk.

PROVISIONS

The Group may make provisions for liabilities or expenses the nature of which is clearly defined and for which it is either probable or certain that they will be incurred at the balance sheet date, but thes amount or timing of which is uncertain.

The amount recognised as a provision is the best estimate of the expenditure that will be required to settle the present obligation recognised at the date of the financial statements after taking into account the risks and uncertainties associated with the obligation. If the provision is determined using an estimate of the cash flows required to settle the present obligation, the carrying amount of the provision is equal to the present value of those cash flows (if the time value of money effect is significant).

When some or all of the expenditure required to settle a provision is expected to be reimbursed by a third party, a receivable is recognised as an asset when it is virtually certain that the Group will be reimbursed and the amount of the receivable can be measured reliably.

PROVISIONS FOR RESTORATION TO THE ORIGINAL STATE

Provisions for the costs of restoring leased fixed assets to their original condition, as required by the terms of the lease, are recognised when the obligation arises, either at the commencement date or as a result of the use of the underlying asset during the lease term, based on management's best estimate of the costs that would be required to restore the asset to its original condition. The estimates are reviewed periodically and adjusted as new circumstances arise.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash, current accounts with banks and deposits or other short-term highly liquid funds that can be converted into a known cash value at short notice and carry minimal risk of changes in value.

CASH FLOW STATEMENT

The statement of cash flows is prepared using the indirect method.

For cash flow purposes, cash and cash equivalents include cash and cash at bank, excluding deposits with original maturities of more than three months from the date of acquisition, and short-term liquid assets readily convertible into cash at pre-agreed amounts, provided that no significant changes in the value of these assets are expected over time.

SUBSEQUENT EVENTS

The impact of events that occurred between the balance sheet date and the date of the financial statements is recognised in the financial statements if those events provided additional information about the facts that existed at the balance sheet date.

Where significant events occurred between the balance sheet date and the date of the financial statements that represent events that occurred after the balance sheet date, the effects of those events are described in the notes to the financial statements but are not recognised in the financial statements.

9. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies described in point 8, management is required to make judgements (other than those involving estimates) that have a significant effect on the reported amounts and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and related assumptions are based on historical experience and other factors considered relevant in the circumstances. Actual results may differ from these estimates.

Estimates and related assumptions are regularly reviewed. Adjustments to accounting estimates are recognised in the period in which the estimate is revised (if the revision affects only the relevant period) or in the period in which the revision is made and in future periods (if the revision affects both current and future periods).

SIGNIFICANT JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

In applying the Group's accounting policies, management made the following significant judgements (other than those requiring estimates – see below) that had a material effect on the amounts recognised in the financial statements.

VALUATION OF INVESTMENT PROPERTY

The Group has valuation reports prepared for all significant and material investment properties as at 30 June each year. Property values are determined based on 2 methods depending on the stage of the project or investment objective, namely (i) discounting future cash flow method and (ii) comparative method.

In the case of a residential development project that is not yet generating any income or where income is difficult to predict in terms of time, amount and other uncertainties, the properties in the portfolio are valued based on the benchmark method. After the stage of obtaining a building permit, when the timing of the commencement of construction work and the decision whether the project will be built or sold, and if built, the property is reclassified from *Investment Property* to *Inventory*.

For income projects (office buildings, shopping centres, residential projects for rent, etc.) it is about discounting the future income generated by the property that the property can generate during its economic cycle.

10. Comments on the consolidated statement of comprehensive income

10.1. NET INCOME FROM RENTAL PROPERTY

The net income from the rental of real estate for the period from 1 July 2023 to 30 June 2024 totalled CZK 85,587 thousand from rentals and CZK 65,620 thousand from leases. This represents a year-on-year decrease compared to the previous period (CZK 121,172 thousand from rents and CZK 95,632 thousand from services). The decrease was mainly due to the termination of revenues from the OC Řepy project, which are no longer recognised in the current period. In the previous period, this project generated a significant part of total revenues (CZK 43,507 thousand from rentals and CZK 33,037 thousand from services).

On the other hand, rental income from the OC Futurum and OC Železniční Komárov projects increased year-on-year. In OC Futurum, rental income increased from CZK 75,542 thousand to CZK 83,516 thousand and for the Železniční Komárov project from CZK 1,729 thousand to CZK 1 535 thousand. In the case of Komárov, there was a slight decrease in rents but an increase in service revenues.

A significant decrease in costs was recorded for energy, repairs and services related to rent, which is also related to the closure of OC Řepy. The total cost of services amounted to CZK 65,524 thousand. The amount of CZK 24,624 thousand compared to CZK 110,933 thousand in the previous period.

Rental income from real estate for the period 1.7.2023–30.6.2024

(in thousands CZK)	Total	Project OC Řepy	OC Futurum project	Project Železniční Komárov	Bytové družstvo Staňkova 30	Other
Rental income	85,587	0	83,516	1,535	344	192
Revenue from services	65,620	0	64,684	542	137	257
Total	**151,207**	**0**	**148,200**	**2,077**	**481**	**449**

Services for the period 1.7.2023–30.6.2024

(in thousands CZK)	Total	Project OC Řepy	OC Futurum project	Project Železniční Komárov	Bytové družstvo Staňkova 30	Other
Energy, consumption and services	23,875	0,	23,152	407	113	203,
Repair and maintenance	21,977	0,	20,846	72	40	1,019
Other costs in connection with the lease	19,672	0,	19,179	339	154	0
Total	**65,524**	**0**	**63,177**	**818**	**307**	**1,222**

Rental income from real estate for the period 1.7.2022–30.6.2023

(in thousands CZK)	Total	Project OC Řepy	OC Futurum project	Project Železniční Komárov	Bytové družstvo Staňkova 30	Other
Rental income	121,172	43,507	75,542	1,729	358	36
Revenue from services	95,632	33,037	61,960	348	86	201
Total	**216,804**	**76,544**	**137,502**	**2,077**	**444**	**237**

Services for the period 1.7.2022–30.6.2023

(in thousands CZK)	Total	Project OC Řepy	OC Futurum project	Project Železniční Komárov	Bytové družstvo Staňkova 30	Other
Energy, consumption and services	50,894	24,959	25,239	560	136	0
Repairs and maintenance	23,891	3,239	20,173	374	84	21
Other costs in connection with the lease	36,148	17,200	17,961	415	523	49
Total	**110,933**	**45,398**	**63,373**	**1,349**	**743**	**70**

10.2. OTHER OPERATING INCOME

Other operating income in the amount of CZK 11,822 thousand as at 30 June 2024 (CZK 2,477 thousand as at 30 June 2023) are revenues of the Group not directly related to the Group's 2 main activities, which are rental of own real estate and residential development. These are mainly revenues from the invoicing of services for the regular management of the Group's completed residential projects and for the activities of the chairman of the unit owners' association in the same residential projects of the Group.

10.3. PROFIT/LOSS ON INVENTORIES SOLD

Profit/loss on inventories sold for the period 1.7.2023–30.6.2024

(in thousands CZK)	Total	Ponavia Rezidence III	Neumann bytový dům
Proceeds from the sale of inventories	126,539	126,539	0
Cost of inventories sold	–93,996	–93,996	0
Profit/loss on inventories sold	**32,543**	**32,543**	**0**

Profit/loss on inventories sold for the period 1.7.2022–30.6.2023

(in thousands CZK)	Total	Ponavia Rezidence III	Neumann bytový dům
Proceeds from the sale of inventories	308,311	308,312	–1
Cost of inventories sold	–214,173	–214,173	–
Profit/loss on inventories sold	**94,138**	**94,139**	**–1**

The sale of inventories of CZK 127 million consists of the sale of residential and non-residential units, parking spaces and cellars of the project Ponavia Rezidence III, which was approved at the end of March 2023.

10.4. GAIN/LOSS ON SALE OF ASSETS

Profit/loss on assets sold for the period 1.7.2023–30.6.2024

(in thousands CZK)	Total	OC Futurum	Landmark Building	Staňkova 30
Proceeds from the sale of assets	32,562	3,040	13,303	16,219
Cost of sale of assets	–32,292	–1,605	–19,360	–11,328
Gain/loss on sale of assets	**270**	**1,435**	**–6,057**	**4,891**

Profit/loss on assets sold for the period 1.7.2022–30.6.2023

(in thousands CZK)	Total	OC Futurum	Landmark Building	Staňkova 30
Proceeds from the sale of assets	2,656	1,653	1,003	–
Cost of sale of assets	–3,782	–1,674	–2,108	–
Gain/loss on sale of assets	**–1,126**	**–21**	**–1,105**	**–**

Sale of OC Futurum property

This is the sale of rights to the charging station for electric vehicle, which Euro Mall Brno Real Estate, s.r.o. sold on the basis of the contract on the transfer of rights to the OC Futurum charging station project dated 28 May 2024 for the amount of CZK 3.040 million excluding VAT.

Landmark Building property for sale

This is a sale of assets related to the sale of shares in The Landmark Building a.s. based on the Share Transfer Agreement dated 29 February 2024.

Sale of property BD Staňkova 30

This is the sale of property related to the sale of cooperative shares in the Bytové družstvo Staňkova 30 on the basis of the Agreements on the transfer of cooperative for consideration shares dated 17 April 2024, 18 April 2024 and 19 April 2024.

10.5. EMPLOYEE BENEFIT AND OTHER COSTS

Employee benefit and other costs

(in thousands CZK)	1.7.2023–30.6.2024	1.7.2022–30.6.2023 corrected
Employee benefit costs	36,842	30,917
Other costs	338,136	107,782
Administrative costs	20,916	21,768
Legal costs	4,377	1,207
Consultancy	16,635	45,891
Land for construction	13,104	1,932
Construction work	251,211	28,248
Audit and accounting	10,675	6,598
Other operating costs	21,219	2,138
Total	**374,978**	**138,699**

Employee benefits and other expenses for the period ended 30 June 2024 totalled CZK 374,978 thousand, in comparison with CZK 138,699 thousand in the previous period – restated. The largest part of this is made up of costsconstruction in the amount of CZK 251,211 thousand (2022/2023: CZK 28,248 thousand) and the cost of employee benefits of CZK 36,842 thousand (2022/2023: CZK 30,917 thousand – corrected). Other expenses consistof mainly administrative expenses, consultancy, legal and audit services and other operating expenses related to the management of the Group.

The figures for the comparable period have been corrected, see for a detailed description of the point 8.

10.6. DEPRECIATION OF TANGIBLE AND INTANGIBLE ASSETS

Depreciation of tangible and intangible assets

(in thousands CZK)	1.7.2023–30.6.2024	1.7.2022–30.6.2023
Depreciation of buildings and parts of buildings	118	–
Depreciation of vehicles and equipment	4,276	–4,401
Amortisation of intangible assets	–	–
Total	**4,394**	**–4,401**

10.7. INTEREST INCOME AND EXPENSE

The Group finances its projects through a combination of bonds, bank loans and other external sources. Interest expenses for the period under review amounted to CZK –187,786 thousand. The most significant items are interest expenses on loans (CZK –83,292 thousand) and bonds (CZK –80,646 thousand). The year-on-year increase in costs reflects the higher volume of external financing and the continued impact of increased market rates and refinancing of projects in an environment of higher inflation.

Interest income and expense

(in thousands CZK)	1.7.2023–30.6.2024	1.7.2022–30.6.2023 corrected
Interest income from bank accounts	–	–
Interest income other	5	47
Interest expense on bonds	–80,646	–73,254
Interest expense on loans	–83,292	–121,990
Interest expense of minority shareholders	–853	–908
Interest expense on leases	–690	–978
Interest expense on other borrowings	–22,250	–11,242
Total	**–187,726**	**–208,325**

10.8. FINANCIAL INCOME AND EXPENSES

In the period under review, financial income and expenses were mainly affected by exchange rate differences, which amounted to CZK –39,058 thousand. These differences relate mainly to the shopping centre Futurum, the financing and operation is mainly in EUR. Other financial items were insignificant. The total financial result for the period was thus CZK –39,504 thousand.

Financial income and expenses

(in thousands CZK)	1.7.2023–30.6.2024	1.7.2022–30.6.2023
Financial income from bank accounts	–	–
Other financial income	4	167
Exchange rate differences	–39,058	37,339
Financial costs from bank accounts	–3	–56
Financial costs other	–447	–17,716
Total	**–39,504**	**19,734**

10.9. NET CAPITALIZATION RELATED TO DEVELOPMENT ACTIVITIES

Net capitalization of costs related to development activities in the amount of CZK 380,854 thousand as at 30 June 2024 (in the amount of CZK 157,191 thousand as at 30 June 2023 – corrected, difference of CZK 129,088 thousand) are capitalized costs of the Group directly related to the Group's development projects in the unfinished project phase. These mainly include construction work and other construction related services, wages and salaries and other overheads, and finance costs associated with bonds or loans.

Net capitalization related to development activities

(in thousands CZK)	1.7.2023–30.6.2024	1.7.2022–30.6.2023 corrected
Personal costs	24,248	28,103
Advice	24,524	44,920
Land for construction	12,773	1,932
Construction work	249,316	28,248
Interest on loans	6,634	37,091
Interest on other borrowings	16,034	6,765
Interest on bonds	47,325	10,132
Total	**380,854**	**157,191**

10.10. INCOME TAX

(in thousands CZK)	1.7.2023–30.6.2024	1.7.2022–30.6.2023
Income tax payable	–10,036	–24,989
Deferred income tax	8,248	–404
Total	–1,788	–25,393
Income tax payable – discontinued operations	–	–
Deferred income tax – discontinued operations	20,079	–
Total – discontinued activities	**20,079**	**–**

The effective corporate tax rate applied to the reported profit is 19% at 30 June 2024 (30 June 2023: 19%). The corporate tax rate applied to the deferred tax is 21% (30 June 2023: 19%).

The amount of tax expense for the period can be reconciled to profit before tax as follows:

(in thousands CZK)	1.7.2023–30.6.2024	%	1.7.2022–30.6.2023	%
Profit/Loss before tax	37,862		23,409	
Corporate tax	7,194	19.00	4,448	19.00
Effect of non-tax deductible expenses in determining taxable profit	91,268	241.05	104,251	445.35
Impact of tax-exempt income	–107,836	–284.81	–43,732	–186.82
Other modifications*	7,599	20.07	–34,809	–148.70
Tax impact of previously unrecognised tax losses	–13	–0.03	–4,766	–20.36
Income tax / effective tax rate	**–1,788**	**–4.72**	**25,393**	**108.47**

* Other adjustments are adjustments arising from consolidation adjustments.

For details on the calculation of deferred tax, see 11.2.4.

10.11. DISCONTINUED OPERATIONS

10.11.1. Sale The Landmark Building a.s.

On 29 February 2024, the Group entered into an agreement on the sale of a business stake in The Landmark Building a.s., which owns a plot of land in the centre of Brno on which an office building is being prepared. The acquirer took control of The Landmark Building a.s. on 29.2.2024. For details of the assets and liabilities disposed of and the calculation of the gain or loss on sale, see 11.3.1.

The results of discontinued operations included in the consolidated income statement were as follows:

(in thousands CZK)	1.7.2023–30.6.2024
Revenue	3,796
Cost	6,060
Profit before tax	–2,264
Applicable income tax charged to expense	0
Loss on sale of discontinued operations	–6,057
Net loss from discontinued operations (attributable to owners of the company)	**–8,321**

10.11.2. Sale of Bytové družstvo Staňkova 30

On 17, 18 and 19 April 2024, the Group entered into the Agreements on the transfer of cooperative shares for consideration for the sale of the cooperative share in the Bytové družstvo Staňkova 30, which owns, operates and manages a residential building in Brno. The acquirer took control of the cooperative on 19.4.2024. For details of the assets and liabilities disposed of and the calculation of the gain or loss on sale, see 11.3.1.

The results of discontinued operations included in the consolidated income statement were as follows:

(in thousands CZK)	1.7.2023–30.6.2024
Revenue	490
Cost	2,354
Profit before tax	–1,864
Applicable income tax charged to expense	0
Gain on sale of discontinued operations	4,891
Net profit from discontinued operations (attributable to owners of the company)	**3,027**

10.11.3. Sale of OC Řepy a.s.

On 3 July 2024, the Group entered into an agreement for the sale of OC Řepy a.s., which owns and leases the shopping centre. The acquirer took control of OC Řepy a.s. on 3.7.2024. As the sale took place within 12 months of the balance sheet date, the assets and liabilities of OC Řepy a.s. have been classified as assets and liabilities held for sale and are reported separately in the statement of financial position. The actual proceeds from the sale were higher than the carrying amount of the related net assets and therefore a gain on revaluation of discontinued operations was recognized. The major classes of assets and liabilities of this company classified as held for sale are as follows:

(in thousands CZK)	Balance as of 30.6.2024
Investment real estate	739,901
Trade and other receivables	20,758
Cash and cash equivalents	15,348
Revaluation of assets held for sale	33,768
Total assets classified as held for sale	**809,775**

(in thousands CZK)	Balance as of 30.6.2024
Loans	616,595
Trade and other payables	40,993
Total liabilities related to assets classified as held for sale	657,588
Net assets of disposal group	**152,187**

In connection with the future sale of OC Řepy, a deferred tax liability in the amount of CZK 20,643 thousand was derecognized.

11. Comments on the consolidated statement of financial position

11.1. ASSETS

11.1.1. Intangible assets

The Group owns several intangible assets, their list is broken down below:

- Software in the framework of the Futurum shopping centre operation management at the purchase price of CZK 783 thousand.
- Group management and accounting software at a purchase price of approx. CZK 146 thousand.
- Digital transformation of the Group, including the acquisition of the Helios system at a purchase price of CZK 3,679 thousand.

In all cases, these are purchased assets. The Helios system will be depreciated over a period of 10 years once it is placed in service.

Nehmotná aktiva

(in thousands CZK)	Other valuable rights	Software	Acquisition	Total
Acquisition costs				
Status as at 30 June 2023	750	929	100	1,779
Additions		20	3,579	3,599
Losses				
Rebilling		–803		803
Status as at 30 June 2024	750	146	3,679	4,575
Corrections				
Status as at 30 June 2023	750	667	–	1,417
Amount of depreciation for the period		25	–	25
Rebilling		–578		–578
Status as at 30 June 2024	750	114	–	863
Book value				
Status as at 30 June 2023	0	262	100	362
Status as at 30 June 2024	0	32	3,679	3,711

11.1.2. Investment real estate

Investment real estate

(in thousands CZK)	BD Staňkova 30	OC Futurum	OC Řepy	Železniční Komárov (PŽK + ŽK)	Ponavia Rezidence IV (PONC)	Landmark Building	Čtvrť pod Hády II (DBH)	Čtvrť pod Hády III	ABILET Company	Blansko Písečná	Other	Total
Fair value												
Status as at 30 June 2022	13 300	990,837	770,651	121,386	749	80,000	727,117	233,927	13,429	2,031	5,424	2,958,851
Additions	4,405	21,257	6,435	17,215	5,892	17,968	68,747	10,334	593	2,148	2,197	157,191
Exchange rate differences												–
Losses	–	–5,521	–10,312	–	–	–2,108	–13,944	–	–	–	4,870	–36,755
Reclassification to inventory	–	–	–	–	–	–	–95,003	–	–	–	–	–95,003
Change in fair value during the year	–270	–27,554	–26,873	–6,995	–0	13,190	51,517	–6,457	–10	–	–	–3,452
Status as at 30 June 2023	17,435	979,019	739,901	131,606	6,641	109,050	738,434	237,804	14,012	4,179	2,751	2,980,833
Additions	–	48,490	–	26,897	25,648	–	53,508	10,619	423	4,581	14	170,180
Exchange rate differences	–	–	–	–	–	–	–	–	–	–	–	–
Losses	–17,435	–1,605	–739,901	–	–3,009	–109,050	–	–	–	–	–2,491	–873,491
Reclassification to inventory	–	–	–	–	–	–	–	–	–	–	–	–
Change in fair value during the year	–	37,870	–	94,405	34,315	–	–119,808	14,520	–2,087	40,310	–	99,525
Status as at 30 June 2024	0	1,063,774	0	252,908	63,595	0	672,134	262,943	12,348	49,070	274	2,377,047

Bytové družstvo Staňkova 30
As of 19.4.2024, the individual cooperative shares in the Bytové družstvo Staňkova 30 namely from Trikaya Project Management, a.s. (42.86 %), Trikaya Asset Management, a.s. (42.86 %) and PONAVIA REZIDENCE III a.s. (14.29 %) were sold to Real invest point s.r.o. on the basis of the Contracts on the transfer of cooperative shares for consideration.

OC Futurum project
On 13.12.2023, Amendment No. 2 to the loan agreement No. 261 61 478 was signed of 10.10.2022 between Euro Mall Brno Real Estate, s.r.o. and Raiffeisenbank a.s. company, in which the long-term investment loan was extended to the in the original amount of EUR 28,000 thousand was increased up to the maximum total amount of EUR 29,500 thousand and divided into Tranche A (EUR 28,000 thousand) and Tranche B, which can be drawn up to a maximum total amount of EUR 1,500 thousand. The interest rate was set at 3M EURIBOR + 2,4 % p.a.

During the period under review, fit-out works of vacant and uncompleted commercial units were in progress, with an increase in occupancy from 92% as at 30 June 2023 to 95% as at 30 June 2024.

Project OC Řepy
On 3.7.2024 was concluded with the company PRAGORENT investment fund with variable share capital, a.s. Agreement on the transfer of shares to sale 100% of the business share in the company OC Řepy a.s. Therefore, the project as at 30.6.2024 is reported as part of Assets held for sale.

The Komárov Railway Project
On 30.4.2024, the Purchase Agreement for the transfer of the ownership right to the real estate and the Purchase Agreement for the assignment of the license and transfer of rights to the project were signed with the company Residence Na promenádě s.r.o., which will result in the sale of the land and the related project documentation for the first stage of the Železniční Komárov project. In connection with the sale, the credit line agreement with Glamour Slovakia, a.s. in the amount of CZK 50 million + accessories was repaid as of 16 May 2024.

Ponavia Rezidence IV
In the period under review, the company took steps to implement the last, fourth stage of the PONAVA CENTRUM a.s. project, Ponavia Rezidence IV.

On 31.01.2024, the land was acquired for the construction of the next stage of the Ponavia Rezidence IV project based on the cumulative fulfilment of the conditions under the Real Estate Transfer Agreement dated 15.02.2022 with Kappa Properties, s.r.o.

Landmark Building
On 29.2.2024, 80% of the shares in The Landmark Building a.s. were sold to SUDP Real a.s. In connection with the sale, the credit line agreement with Glamour Slovakia, a.s. dated 7 June 2023 in the amount of CZK 50 million + accessories was repaid.

Project Čtvrť Pod Hády
In the period under review, a new subholding structure Čtvrť pod Hády a.s. was created, under which the following TRIKAYA Group companies were transferred or newly established:

- Čtvrť pod Hády I s.r.o. – sale of 100% of the business share as of 2.4.2024,
- Čtvrť pod Hády II s.r.o. – incorporation of the company on 5 January 2024,
- Čtvrť pod Hády III s.r.o. (formerly TRIKAYA, cooperative) – non-cash contribution of shares as of 31.1.2024 and 15.3.2024,
- Developer Brno Hády, a.s. – sale of 100% of the business share as of 8.2.2024.

On 10 August 2023, the Agreement on the transfer of the cooperative share was concluded with Trikaya nemovitostní fond SICAV, a.s., on the basis of which 50% of the business share in TRIKAYA, družstvo was purchased for a purchase price of CZK 79.9 million.

13.9.2023 was the ceremonial opening of the construction of Stage I of the Čtvrť Pod Hády project. The general contractor of the construction is the company IMOS Brno, a.s., with which the Contract for Work was signed on 14.11.2023. With the commencement of the construction, the sale of residential units of buildings D and E within Phase I of the project was also commenced.

As of 31 October 2023, the transformation of TRIKAYA, družstvo into a limited liability company called Čtvrť pod Hády III s.r.o. was realized, which is registered in the Commercial Register maintained by the Regional Court in Brno under file No. C 138544 as of 15 March 2024.

On 14 November 2023, a loan agreement was concluded with IMOS Brno, a.s. in the amount of CZK 60 million, interest at 8% p.a. and final maturity on 30 September 2026 for the purpose of financing Stage I of the Čtvrť pod Hády project.

On 28.3.2024, a Credit Agreement was concluded between Banka CREDITAS a.s., Developer Brno Hády, a.s. and Čtvrť pod Hády III s.r.o. to finance the construction of the Čtvrti Pod Hády project, which refinanced the loan with J&T BANKA, a.s. on the basis of a credit agreement dated 2.11.2021. The interest rate is variable at 5.5% p.a. + 3M PRIBOR, final maturity on 31 March 2025 with a 12-month period of repayment. The contract allows for repayment to be extended by 2 years.

Rezidence Písky, Blansko

On 4 June 2024, the zoning decision regarding the construction of the Rezidence Písky, Blansko project became legally valid.

11.1.3. Land, buildings and equipment

In addition to investment property, the Group owns other assets which it uses to carry out its business. These assets include mainly own vehicles, small assets and office equipment. Details of the assets owned in this category are shown in the table below.

Land, buildings and equipment

(in thousands CZK)	Facilities	Total
Acquisition costs		
Status as at 30 June 2023	7,580	7,580
Additions	–	–
Losses	–605	–605
Recharges		
Status as at 30 June 2024	6,975	6,975
Corrections		
Status as at 30 June 2023	3,303	3,303
Amount of depreciation for the period	1,544	1,544
Elimination on disposal of assets		
Status as at 30 June 2024	4,847	4,847
Book value		
Status as at 30 June 2023	4,277	4,277
Status as at 30 June 2024	2,128	2,128

11.1.4. Right-of-use assets

The Group also owns assets under operating or finance leases. The majority of these assets are cars, offices and their equipment, which are leased for a term equivalent to the lease agreement. The detail and changes in Right-of-use assets are shown below.

Right-of-use assets

(in thousands CZK)	Automobiles	Offices and office equipment	Total
Acquisition costs			
Status as at 30 June 2023	6,244	10,410	16,654
Additions	0	0	0
Losses	0	0	0
Recharges	0	0	0
Status as at 30 June 2024	6,244	10,410	16,654
Corrections			
Status as at 30 June 2023	3,741	5,577	9,318
Amount of depreciation for the period	1,067	2,173	3,240
Status as at 30 June 2024	4,808	7,750	12,558
Book value			
Status as at 30 June 2023	2,503	4,833	7,336
Status as at 30 June 2024	1,436	2,660	4,096

11.1.5. Other non-current assets

(in thousands CZK)	Balance as of 30.6.2024	Balance as of 30.6.2023
Trikaya nemovitostní fond SICAV	100	100
TRIKAYA FUND S.C.A., SICAV–FIS, in liquidation	31	31
Total	**131**	**131**

Trikaya nemovitostní fond SICAV
The company Trikaya nemovitostní fond SICAV, a.s., ID No.: 070 04 311, with registered office at Šumavská 519/35, Veveří, 602 00, Brno, registered in the Commercial Register at the Regional Court in Brno, file No. B 7933, is a company, the founder of which is Trikaya Asset Management a.s. The investors of the Fund holding investment shares of the Fund are not in a property relationship with the Company or the Group. This company does not form part of the consolidating entity.

TRIKAYA FUND S.C.A., SICAV–FIS
TRIKAYA FUND S.C.A., SICAV-FIS, in liquidation, having its registered office at 20 Boulevard Emmanuel Servais, L-2535 Luxembourg, incorporated under the Duchy of Luxembourg, Incorporation

No. B 142798, is a company which was transferred to the Company on 26 June 2017. The Company is in liquidation and has no further use for the Group.

11.1.6. Stocks

(in thousands CZK)	Balance as of 30.6.2024	Balance as of 30.6.2023
Ponavia Rezidence II	11,754	13,444
Ponavia Rezidence III	1,792	91,973
Čtvrť pod Hády – Stage I	294,318	95,097
Total	**307,864**	**200,514**

Project Ponavia Rezidence II and III

Ponavia Residence II project inventories of CZK 11 754 thousand represent unsold parking spaces and an apartment unit, which was sold on 11.7.2024.

As of 30.6.2024, all residential units of the Ponavia Rezidence III project have been sold. The balance in the amount of CZK 1 792 thousand represent unsold parking spaces.

Čtvrť pod Hády – Stage I

Amount CZK 294,315 thousand reflects the development project Čtvrť pod Hády – Stage I, which is currently under construction. It consists of 167 flats in 8 buildings and 186 parking spaces located in underground garages. The increase compared to the previous period is related to the commencement of construction works and the gradual capitalization of project costs to the inventory account.

The estimated selling price of inventories is not significantly lower than the cost of acquisition. The Group does not expect significant costs related to the sale of inventories.

11.1.7. Trade and other receivables

The Group's trade receivables are classified by maturity in the table below. Receivables due at 30 June 2024 mainly represent trade receivables and deposits granted to Trikaya Project Management s.r.o. in the amount of CZK 5.8 million. Receivables up to 89 days past due amounting to CZK 2.1 million are mainly related to rent from the Futurum Brno shopping centre. Receivables more than 1 year past due mainly consist of unpaid receivables from rent in the Futurum Brno shopping centre in the amount of CZK 5,656 thousand. These amounts were subject to an allowance of 100 %.

Trade receivables

(in thousands CZK)	Due for payment	Up to 89 days past due	90–179 days past due	180–359 days overdue	More than 1 year verdue	Total balance
30.6.2023						
Nominal value	10,429	1,882	133	13	9,476	21,933
Allowances	0	0	0	0	–8,624	–8,624
Total	**10,429**	**1,882**	**133**	**13**	**852**	**13,309**
30.6.2024						
Nominal value	6,131	2,063	114	140	5,668	14,116
Allowances	0	0	0	0	–5,656	–5,656
Total	**6,131**	**2,063**	**114**	**140**	**12**	**8,460**

Allowances for other trade and other receivables are calculated but due to their insignificant amount the Group has decided not to recognise them.

The most significant commercial advances at 30 June 2024 were from the following companies:

- CZK 2,036 thousand by Developer Brno Hády a.s., the majority of which represents a compensatory advance to the Statutory City of Brno,
- CZK 1 327 thousand by První Železniční Komárov s.r.o., also as a compensation deposit to the City of Brno and deposits received from tenants,
- CZK 1 272 thousand by Euro Mall Brno Real Estate a.s., where it concerns advances for services and energy related to the operation of the shopping centre.

(in thousands CZK)	Balance as of 30.6.2024	Balance as of 30.6.2023
Business advances	5,944	6,358
Total	**5,944**	**6,358**

11.1.8. Other current assets

(in thousands CZK)	Balance as of 30.6.2024	Balance as of 30.6.2023
Current assets – other	32,310	4,070
Current assets – accruals	13,247	21,617
Current assets – taxes payable	2,230	0
Total	**47,787**	**25,687**

Other current assets as at 30 June 2024 amounted to CZK 47 787 thousand (as at 30 June 2023: CZK 25,687 thousand). The increase compared to the previous period is mainly due to the increase in the item Current assets – other, which amounted to CZK 32,310 thousand (2023: CZK 4,017 thousand), mainly includes loans to the Group's ultimate owners.

The item Current assets – accruals amounted to CZK 13,247 thousand (2023: CZK 21,617 thousand) and includes mainly accrued expenses related to the operation of OC Futurum in the amount of CZK 5,822 thousand and comprehensive deferred costs related to the construction of the project Čtvrť pod Hády I in the amount of CZK 5,639 thousand.

The item Current assets – taxes payable represents receivables from the tax office in the amount of CZK 2,230 thousand (2023: CZK 0 thousand).

Provisions are made for current assets other than taxes payable, but as the amount is insignificant current and comparative periods, the Group has chosen not to recognize them.

11.1.9. Cash and cash equivalents

The Company held cash and cash equivalents in the amount of CZK 95,195 thousand as at 30 June 2024 (as at 30 June 2023 in the amount CZK 49,235 thousand). The Company has bank accounts maintained with banking institutions Komerční banka, Raiffeisenbank, Česká spořitelna and Banka CREDITAS. The Company believes that its cash and cash equivalents have low credit risk based on external counterparty credit ratings. Provisions arising from the application of IFRS 9 are calculated but, as their amount is immaterial, the Group has chosen not to recognize them.

(in thousands CZK)	Balance as of 30.6.2024	Balance as of 30.6.2023
Cash on hand	2,603	2,545
Bank accounts – available	77,591	31,780
Bank accounts – limited disposition	15,000	15,000
Total	**95,194**	**49,325**

As at 30.6.2024, the company held a bank account with Komerční banka, a.s. with a limited disposition with a balance of CZK 15,000 thousand. This balance corresponds to the balance of the amount guaranteed by the Group to the Statutory City of Brno in connection with the bank guarantee from the Contract for the construction of transport and technical infrastructure and a kindergarten within the construction of the residential complex "Čtvrť Pod Hády, Brno" dated 10.1.2020.

The consolidated cashflow statement includes cashflows from completed activities totalling CZK 53,875,000 from operations, CZK –2,283,000 from investment activities, and CZK –38,320,000 from financial activities.

11.2. LIABILITIES

11.2.1. Bonds issued

As at 30 June 2024, the total nominal value of outstanding bonds in the Group was CZK 603.7 million (as at 30 June 2023: CZK 470.1 million), of which CZK 190.1 million is shown under under long-term liabilities. The value measured using the effective interest rate method totals CZK 602.6 million (as at 30 June 2023: CZK 462.9 million).

During the financial year, three new bond issues were issued in the total amount of CZK 190.1 million:

- Trikaya CRE 8,75/25 – CZK 127,7 mil.,
- Trikaya CRE 8,00/27 – CZK 2,7 mil.,
- Trikaya RRE 9,30/26 – CZK 59,7 mil.

Conversely, the following issues registered as of 30 June 2023 were repaid:

- Trikaya 16,7/24 – CZK 81,9 mil.,
- Trikaya CRE 6,50/24 – CZK 49,8 mil.

A new short-term Trikaya 10.9/25 issue of CZK 75.5 million was also issued in March 2024, which was subscribed by Trikaya Real Estate Fund SICAV.

Long-term bonds issued as of 30.6.2024

Name of the issue	Issuer	Underwriter	Currency	Interest rate	Effective interest rate	Day of issue	Maturity	Principal outstanding as of 30.6.2024 (in thousands CZK)	Value according to the effective interest rate method as of 30.6.2024 (in thousands CZK)
Trikaya CRE 8,75/25	Trikaya CRE	Private investors	CZK	8.75%	14.60%	15.11.2023	15.11.2025	127,700	117,929
Trikaya CRE 8,00/27	Trikaya CRE	Private investors	CZK	8.00%	11.64%	30.05.2024	30.05.2027	2,700	394
Trikaya RRE 9,30/26	Trikaya RRE	Private investors	CZK	9.30%	12.86%	01.07.2023	01.07.2026	59,700	56,281
Total long-term bonds issued as of 30.6.2024								**190,100**	**176,604**

Long-term bonds issued as of 30.6.2023

Name of the issue	Issuer	Underwriter	Currency	Interest rate	Effective interest rate	Day of issue	Maturity	Principal outstanding as of 30.6.2023 (in thousands CZK)	Value according to the effective interest rate method as of 30.6.2023 (in thousands CZK)
Trikaya CRE 5,25/24	Trikaya CRE	Private investors	CZK	5.25%	11.02%	01.07.2020	01.07.2024	57,500	52,320
Trikaya RRE 5,50/24	Trikaya RRE	Private investors	CZK	5.50%	8.43%	01.07.2020	01.07.2024	88,600	80,189
Trikaya RRE 5,50/25	Trikaya RRE	Private investors	CZK	5.50%	10.23%	01.03.2021	01.03.2025	52,300	28,242
Trikaya RRE 6,90/25	Trikaya RRE	Private investors	CZK	6.90%	10.54%	15.01.2022	15.01.2025	41,600	35,974
Trikaya RRE 9,30/24	Trikaya RRE	Private investors	CZK	9.30%	15.82%	15.11.2022	15.11.2024	79,900	72,096
Trikaya RRE 9,30/25	Trikaya RRE	Private investors	CZK	9.30%	13.37%	01.05.2023	01.05.2025	14,500	13,361
Trikaya RRE 9,30/26	Trikaya RRE	Private investors	CZK	9.30%	15.74%	01.07.2023	01.07.2026	3,600	3,600
Total long-term bonds issued as of 30.6.2023								**338,000**	**285,782**

Short-term bonds issued as of 30.6.2024

Name of the issue	Issuer	Underwriter	Currency	Interest rate	Effective interest rate	Day of issue	Maturity	Principal outstanding as of 30.6.2024 (in thousands CZK)	Outstanding coupon as of 30.6.2024 (in thousands CZK)	Total as of 30.6.2024 (in thousands CZK)	Value according to the effective interest rate method as at 30.6.2024 (in thousands CZK)
Trikaya 10,9/25	Trikaya Asset Management	Trikaya real estate fund SICAV	CZK	10.90%	13.40%	25.03.2024	25.03.2025	75,500	2,249	77,749	76,753
Trikaya CRE 5,25/24	Trikaya CRE	Private investors	CZK	5.25%	10.40%	01.07.2020	01.07.2024	57,500	3,019	60,519	62,974
Trikaya CRE 8,75/25	Trikaya CRE	Private investors	CZK	8.75%	14.60%	15.11.2023	15.11.2025	–	1,311	1,311	2,535
Trikaya CRE 8,00/27	Trikaya CRE	Private investors	CZK	8.00%	11.64%	30.05.2024	30.05.2027	–	7	7	7
Trikaya RRE 5,50/24	Trikaya RRE	Private investors	CZK	5.50%	7.91%	01.07.2020	01.07.2024	83,000	4,565	87,565	82,202
Trikaya RRE 5,50/25	Trikaya RRE	Private investors	CZK	5.50%	10.14%	01.03.2021	01.03.2025	52,300	959	53,259	50,446
Trikaya RRE 6,90/25	Trikaya RRE	Private investors	CZK	6.90%	10.45%	15.01.2022	15.01.2025	41,600	1,316	42,916	41,399
Trikaya RRE 9,30/24	Trikaya RRE	Private investors	CZK	9.30%	18.90%	15.11.2022	15.11.2024	79,900	4,644	84,543	82,380
Trikaya RRE 9,30/25	Trikaya RRE	Private investors	CZK	9.30%	15.23%	01.05.2023	01.05.2025	23,800	369	24,168	23,202
Trikaya RRE 9,30/26	Trikaya RRE	Private investors	CZK	9.30%	12.86%	01.07.2023	01.07.2026	–	4,084	4,084	4,084
Total short-term bonds issued as at 30.6.2024								**413,600**	**22,523**	**436,123**	**425,982**

Short-term bonds issued as of 30.6.2023

Name of the issue	Issuer	Underwriter	Currency	Interest rate	Effective interest rate	Day of issue	Maturity	Principal outstanding as of 30.6.2023 (in thousands CZK)	Outstanding coupon as of 30.6.2023 (in thousands CZK)	Total as of 30.6.2023 (in thousands CZK)	Value according to the effective interest rate method as at 30.6.2023 (in thousands CZK)
Trikaya 16,7/24	Trikaya Asset Management	Trikaya real estate fund SICAV	CZK	9.80%	12.53%	25.03.2022	25.03.2024	81,900	3,572	85,472	87,115
Trikaya CRE 5,25/24	Trikaya CRE	Private investors	CZK	5.25%	11.02%	01.07.2020	01.07.2024	–	3,019	3,019	6,238
Trikaya CRE 6,50/24	Trikaya CRE	Private investors	CZK	6.50%	9.86%	15.01.2022	15.01.2024	49,800	1,484	51,284	49,760
Trikaya RRE 5,50/24	Trikaya RRE	Private investors	CZK	5.50%	8.43%	01.07.2020	01.07.2024	–	4,873	4,873	6,455
Trikaya RRE 5,50/25	Trikaya RRE	Private investors	CZK	5.50%	10.23%	01.03.2021	01.03.2025	–	959	959	4,157
Trikaya RRE 6,90/25	Trikaya RRE	Private investors	CZK	6.90%	10.54%	15.01.2022	15.01.2025	–	1,316	1,316	20,712
Trikaya RRE 9,30/24	Trikaya RRE	Private investors	CZK	9.30%	15.82%	15.11.2022	15.11.2024	–	2,545	2,545	2,545
Trikaya RRE 9,30/25	Trikaya RRE	Private investors	CZK	9.30%	13.37%	01.05.2023	01.05.2025	–	99	99	99
Total short-term bonds issued as at 30.6.2023								**131,700**	**17,867**	**149,567**	**177,081**

11.2.2. Loans

As at 30 June 2024, the balance of bank and other loans in the Group totalled CZK 1,205,712 thousand, of which CZK 1,183,180 thousand was used for the total amount of loans and advances represents long-term loans and CZK 22,532 thousand is short-term. The Group uses both bank loans and loans from alternative sources, mainly from private investors and through crowdfunding, to finance its projects. All loan commitments are adequately secured, mainly by pledges over real estate, shares, receivables or promissory notes.

Project Čtvrť pod Hády
Developer Brno Hády draws a project loan from Banka CREDITAS a.s. in the amount of CZK 459,102 thousand. The contract allows for the extension of the loan maturity by 2 years. The loan bears interest at a floating rate of 3M PRIBOR + 5.5% p.a. The collateral includes:

- lien on real estate in the area of. Maloměřice and Obřany,
- lien on the business share in the company Čtvrť pod Hády I s.r.o.,
- lien on accounts receivable, future purchase contracts and insurance claims,
- promissory note issued by the debtor.

OC Futurum project
Euro Mall Brno Real Estate finances the operation and investment in OC Futurum through a loan from Raiffeisenbank a.s. in the total balance of CZK 703,593 thousand CZK:

- Tranche A: fixed-interest part of the loan in the amount of CZK 666,298 thousand with interest at 1.95% p.a,
- Tranche B: part of the loan with a variable rate of 3M EURIBOR + 2.40% p.a. in the amount of CZK 37,295 thousand.

The maturity date of both tranches of the loan is 31 December 2027. The security includes liens on real estate, lease receivables, insurance, accounts and shares.

PONAVA CENTRUM
The company draws a loan in the amount of CZK 40,300 thousand from Investown Technologies s.r.o., payable until 7 March 2026, with a fixed interest rate of 10% p.a. As at 30 June 2024 there is an outstanding interest of CZK 1,007 thousand. The collateral consists of:

- lien on real estate in the area of Ponava,
- pledge of 100% of the shares of PONAVA CENTRUM,
- the guarantee statement of Trikaya RRE a.s.,
- a notarial deed with authorisation for direct enforceability.

Other loans
The Group also records two loans for passenger vehicles:

- loan from Raiffeisen-Leasing, s.r.o. in the amount of CZK 140 thousand (maturity date 27 October 2024),
- loan from UniCredit Leasing CZ, a.s. in the amount of CZK 1 570 thousand (maturity 14 June 2026),

Both loans are secured by a transfer of title to the subject of the financing in favour of the lender.

Borrower	Credit Company	Interbank rate	Margin / Fixed rate	Currency	Maturity	Outstanding principal balance as of 30.6.2024 (in thousands CZK)	Balance of outstanding interest as of 30.6.2024 (in thousands CZK)	Total balance as of 30.6.2024 (in thousands CZK)	Long-term part as of 30.6.2024 (in thousands CZK)	Short-term part as of 30.6.2024 (in thousands CZK)	Purpose	Securing
Trikaya Project Management	Raiffeisen – Leasing, s.r.o.			CZK	27.10.2024	140	–	140	–	140	Tesla car loan	Transfer of title with a condition precedent Registration of the Provider's ownership right to the subject of financing
Trikaya Project Management	UniCredit Leasing CZ, a.s.		1.79%	CZK	14.06.2026	1,570	–	1,570	1,210	360	Land Rover car loan	Transfer of title with a condition precedent Registration of the Provider's ownership right to the subject of financing
Developer Brno Hády	Banka CREDITAS a.s.	3M PRIBOR	5.50%	CZK	31.03.2026	459,102	–	459,102	459,102	–	Project financing	Promissory note Lien on real estate Lien on shares Lien on receivables from accounts, purchase contracts and insurance claims
PONAVA CENTRUM	Investown Technologies s.r.o.		10.00%	CZK	07.03.2026	40,300	1,007	41,307	40,300	1,007	Project finance, business development	Lien on real estate Lien on share Declaration of guarantee Real estate pledge with authorisation for direct enforceability
Euro Mall Brno Real Estate	Raiffeisenbank a.s.	1,95%	1.95%	EUR	31.12.2027	666,298	–	666,298	646,274	20,024	Operation, construction	Liens on real estate Liens on receivables from lease contracts Liens on insurance receivables Liens on accounts receivable Liens on shares
Euro Mall Brno Real Estate	Raiffeisenbank a.s.	3M EURIBOR	2.40%	EUR	31.12.2027	37,295	–	37,295	36,294	1,001	Operation, construction	Liens on real estate Liens on receivables from lease contracts Liens on insurance receivables Liens on accounts receivable Liens on shares
						1,204,704	**1,007**	**1,205,712**	**1,183,180**	**22,532**		

11.2.3. Other borrowings and liabilities

Other borrowings as at 30.6.2024

Borrower	Creditor	Currency	Interest	Effective interest rate	Maturity	Real long-term part as of 30.6.2024 (in thousands CZK)	Real short-term portion as of 30.6.2024 (in thousands CZK)	Real balance as of 30.6.2024 (in thousands CZK)	Long-term part as of 30.6.2024 (in thousands CZK)	Short-term part as of 30.6.2024 (in thousands CZK)	Total balance as of 30.6.2024 (in thousands CZK)
Trikaya RRE	Private Investors I. – referred from Trikaya CRE	CZK	5.5–6.0%	9.0%	05–10/2025	88,401	932	89,333	81,030	4,356	85,386
Trikaya RRE	Private Investors II – referred from Trikaya CRE	CZK	5.5–6.5%	9.74%	08/2025	17,250	183	17,433	15,442	1,078	16,520
Trikaya RRE	Private Investors III – referred from Trikaya CRE	CZK	7.10%	11.07%	06.01.2025		2,024	2,024	–	1,838	1,838
Euro Mall Brno Real Estate	Private investor	CZK	9.00%		01.01.2028	40,000	641	40,641	40,000	641	40,641
Trikaya Asset Management	IMOS Brno, a.s.	CZK	8.00%		30.09.2026	60,000	2,998	62,998	60,000	2,998	62,998
Trikaya Asset Management	Trikaya Real Estate Fund SICAV, a.s.	CZK	9.80%		31.07.2024		76,612	76,612		76,612	76,612
Mall Vienna Brno	Minority shareholder of Mall Vienna Brno	EUR	9.00%		31.12.2024		37,066	37,066		37,066	37,066
Trikaya RRE	Private investors I.	CZK	9.30%	10.37%	01.05.2025	–	2,671	2,671	–	2,601	2,601
Trikaya RRE	Private investors II	CZK	9.30%	11.14%	01.07.2026	1,700	124	1,824	1,700	124	1,824
Trikaya RRE	Private Investors III.	CZK	8.28%	8.32%	01.07.2026	4,500	62	4,562	4,380	185	4,565
Trikaya RRE	Private investors IV.	CZK	8.00%	13.87%	30.05.2027	13,120	188	13,308	11,379	813	12,192
Trikaya Asset Management	Minority shareholders of Trikaya CRE (preference shares)	CZK	5.50%		30.04.2025		19,077	19,077		19,077	19,077
Čtvrť pod Hády	FINMASTER Management a.s.	CZK	9.00%		31.12.2024		12,115	12,115		12,115	12,115
Total other borrowings as at 30.6.2024						**224,971**	**154,693**	**379,664**	**213,931**	**159,504**	**373,435**

Other borrowings as at 30.6.2023

Borrower	Creditor	Currency	Interest	Effective interest rate	Maturity	Real long-term part as of 30.6.2023 (in thousands CZK)	Real short-term portion as of 30.6.2023 (in thousands CZK)	Real balance as of 30.6.2023 (in thousands CZK)	Long-term part as of 30.6.2023 (in thousands CZK)	Short-term part as of 30.6.2023 (in thousands CZK)	Total balance as of 30.6.2023 (in thousands CZK)
Trikaya CRE	Private investors I.	CZK	5.5–6.0%	6.8%	05–10/2025	90,000	894	90,894	82,211	6,604	88,815
Trikaya CRE	Private investors II.	CZK	5.5–6.5%	6.64%	08/2025	27,250	288	27,538	25,667	1,153	26,820
Trikaya CRE	Private Investors III.	CZK	7.10%	13.39%	09/2023	2,000	24	2,024	1,812	24	1,836
Euro Mall Brno Real Estate	Private investor	CZK	9.00%		01.01.2028	40,000	2,239	42,239	40,000	2,239	42,239
Mall Vienna Brno	Minority shareholder of Mall Vienna Brno	EUR	9.00%		01.04.2024	34,745	–	34,745	34,745	–	34,745
Mall Vienna Brno	Ultimate owner and member of the Board of Directors of the Company	CZK	12.00%		30.11.2023	30,000	138	30,138	30,000	138	30,138
První Železniční Komárov	Glamour Slovakia	CZK	10.50%		15.8.2023	–	54,767	54,767		54,767	54,767
Trikaya RRE	Private investors	CZK	9.30%	12.97%	01.05.2025	2,280	11	2,291	2,280	–	2,280
The Landmark Building	Glamour Slovakia	CZK	15.00%		02.04.2024	80,592	–	80,592	80,592	–	80,592
Trikaya Asset Management	Minority shareholders of Trikaya CRE (preference shares)	CZK	5.50%		10/2023–04/2024	19,443		19,443	19,443	–	19,443
Total other borrowings as at 30.6.2023						**326,310**	**58,361**	**384,671**	**316,750**	**64,925**	**381,675**

As at 30 June 2024, the Group's balance of other borrowings and liabilities totalled CZK 373,435 thousand, of which CZK 213,931 thousand represents the non-current portion and portion CZK 159,504 thousand represents the current protion of which is repayable within one year. During the period, several significant liabilities were repaid in connection with the sale of the projects Group's and the refinancing of existing liabilities.

Loans granted by Glamour Slovakia a.s. for the projects The Landmark Building (CZK 80 million + accessories) and První Železniční Komárov (CZK 50 million + accessories) were fully repaid during the financial year as part of the exitsproject.

Euro Mall Brno Real Estate a.s. records a loan based on a loan agreement with a private investor in the amount of CZK 40 million bearing interest at 9% p.a. and maturing on 1 January 2028. Another loan related to the project OC Futurum was granted to Mall Vienna Brno a.s. by a minority shareholder in the amount of EUR 1 million, maturing on 31 December 2024 and bearing interest at 9% p.a.

As of 30 June 2024, Trikaya RRE a.s. recorded loans from private investors in the total amount of CZK 124,926 thousand, which part of was assigned from Trikaya CRE a.s. as part of intra-group assignment of liabilities. The borrowings are at fixed interest rates ranging from 5.5% to 9.3% per annum, with maturities mainly between 2025 and 2027. The majority of the liabilities are recorded as long-term and are used to finance the Group's development projects.

Trikaya Asset Management a.s. records a loan from IMOS Brno, a.s. in the amount of CZK 62,998 thousand, concluded on 14 November 2023 with interest at 8% p.a. and maturing on 30 September 2026. The company also draws a loan from Trikaya Real Estate Fund SICAV, a.s. in the amount of CZK 76,612 thousand. The Company also has a liability for subordinated preference shares to the minority shareholders of Trikaya CRE Inc. in the amount of CZK 19,077 thousand, payable by 31 July 2024 at an interest rate of 9.8% per annum CZK 19,197 thousand, payable by 30 April 2025.

Other current liabilities

(in thousands CZK)	30.6.2024	30.6.2023
Staff	1926	1,566
State institutions	1,159	875
Other taxes	6,872	19,565
Other current liabilities	43	80
Total	**10,000**	**22,086**

* Other taxes include value added tax, property tax and other taxes.

As at 30 June 2024, the Group's other current liabilities totalled CZK 10,000 thousand (as at 30 June 2023: CZK 22,086 thousand). The most significant items are payables to employees in the amount of CZK 1,926 thousand and other taxes in the amount of CZK 6,872 thousand. Other taxes include taxes payable, which can be divided into the following categories – value added tax and other taxes. Due to the Group's activities only in the Czech Republic, all these taxes are accounted for in a single account in the consolidation.

11.2.4. Deferred tax liabilities

Deferred tax liabilities and receivables arise to the Group mainly from the revaluation of real estate assets to fair value.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a 'net' basis.

The following is an analysis of deferred tax assets/liabilities for financial reporting purposes:

(in thousands CZK)	Bytové družstvo Staňkova 30	OC Futurum	OC Řepy	Project Železniční Komárov	Ponavia Rezidence III	Landmark Building	Developer Brno Hády a.s.	Ponavia Rezidence IV (PONC)	Other	Other	Total
	Revaluation of assets	Revaluation of assets	Revaluation of assets	Revaluation of assets	Revaluation of assets	Revaluation of assets	Revaluation of assets	Revaluation of assets	Revaluation of assets	Conversion to effective interest rate	
Status as at 30 June 2022	1,900	–25,518	28,246	4,406	8,834	–3,422	108,463	–	33,789	–	156,698
Change in deferred tax recognised in the profit and loss account	1,068	–44,226	–7,602	7,614	–6,094	2,000	–3,398	–	15,871	–	–34,766
Status as at 30 June 2023	2,968	–69,744	20,643	12,019	2,741	–1,422	105,065	–	49,660	–	121,932
Change in deferred tax recognised in the profit and loss account	–2,968	–10,106	–20,079	10,183	–2,780	1,422	–6,289	7,270	–4,520	–459	–28,326
Change in deferred tax recognised in equity	–	–	–564	–	–	–	–	–	–	–	–564
Status as at 30 June 2024		–79,850	0	22,202	–39	–	98,776	7,270	45,140	–459	93,040
Total	**–**	**–79,850**	**0**	**22,202**	**–39**	**–**	**98,776**	**7,270**	**45,140**	**–459**	**93,040**

(in thousands CZK)	Balance as of 30.6.2024	Balance as of 30.6.2023
Deferred tax liabilities	–173,388	–193,097
Deferred tax assets	80,348	71,166
Total deferred tax liabilities and receivables	**–93,040**	**–121,932**

The amount of deductible temporary differences is CZK 5,359 thousand (as at 30 June 2023 in the amount of CZK 0 thousand), the resulting deferred tax asset is CZK 1,125 thousand (as at 30 June 2023 CZK 0 thousand). This deferred tax asset has not been recognised in the current period as a precautionary measure. The main part is an unused tax loss in Euro Mall Brno Real Estate in the amount of CZK 4,718 thousand, resulting in a deferred tax asset of CZK 991 thousand, which can be used until 30 June 2029.

11.2.5. Trade and other payables

(in thousands CZK)	Balance as of 30.6.2024	Balance as of 30.6.2023
Current liabilities – trade payables	100,814	66,952
Current liabilities – contractual obligations	46,718	26,887
Current liabilities – trade advances	102,048	9,346
Current liabilities – leases	3,387	3,596
Current liabilities – accruals	52,357	77,965
Total short-term part	305,324	184,746
Non-current liabilities – trade payables	14,972	7,233
Non-current liabilities – leases	1,594	4,981
Non-current liabilities – deposits	17,815	19,918
Total long-term part	34,381	32,132
Total trade and other payables	**339,705**	**216,878**

As at 30 June 2024, the Group's trade and other payables totalled CZK 339,705 thousand, of which CZK 305,324 thousand represented current liabilities and CZK 34,381 thousand represented long-term liabilities.

The most significant item of short-term trade payables are the liabilities of Čtvrť Pod Hády I s.r.o. in the amount of CZK 60,169 thousand, related to the costs of construction of the first stage of the Čtvrť Pod Hády project. Significant liabilities are also reported by První Železniční Komárov s.r.o. in the amount of CZK 20,867 thousand.

Short-term contractual obligations in the amount of CZK 46,718 thousand consists of advances received from future purchasers for flats and non-residential units within the project Čtvrť Pod Hády – Stage I.

Short-term trade advances amounted to CZK 102,048 thousand. The majority of which represents the advance received for the sale of the first phase of the První Železniční Komárov project in the amount of CZK 99,703 thousand. Further advances in the amount of CZK 2,345 thousand were recognised in Euro Mall Brno Real Estate a.s.

Short-term accruals amounted to CZK 52,357 thousand. The most significant part was reported in ČPH I s.r.o. (CZK 30,657 thousand) and represents accrued expenses, mainly invoicing for construction work at the turn of the period and complex expenses accrued. In PONAVIA CENTRUM a.s. the accrual amounted to CZK 12,256 thousand. This includes mainly deferred income from the signed purchase agreement.

Non-current liabilities include mainly deposits received from tenants in the amount of CZK 17,815 thousand (OC Futurum). Non-current trade payables consist largely of deposits construction work in Čtvrť Pod Hády I s.r.o. in the amount of CZK 13,729 thousand.

The lease commitments due in each year

(in thousands CZK)	As of 30.6.2024		As of 30.6.2023	
Cargo type	Amortization	Interest expense	Amortization	Interest expense
2023/2024			3,240	690
2024/2025	2,825	400	2,819	401
2025/2026	1,243	124	1,243	124
2026/2027	28	2	28	2
Total payable	**4,096**	**526**	**7,330**	**1,217**

11.2.6. Taxes payable

As of 30.6.2024, the balance of taxes payable amounted to CZK 0 thousand (as at 30.6.2023 in the amount of CZK 21,927 thousand).

Taxes payable include all income taxes payable by the Group. Due to the Group's operations in the Czech Republic only, all income taxes are accounted for in a single account in the consolidation

11.3. EQUITY

Konsolidovaný výkaz změn vlastního kapitálu

(in thousands CZK)	Note	Share capital	Other capital funds – Other	Other equity funds – Valuation differences	Other capital funds – Differences on conversions	Other capital funds – Reserve fund	Other capital funds – Statutory funds	Other capital funds	Retained earnings (-)/ Unremitted loss of previous years	Profit or loss for the current financial year	**Share of Owners of the Parent Company**	Own capital – completed activities	Result for the accounting period – Completed activities	Minority interests	**Total equity**
Status as of 30.6.2022		2,000	10,260	2,870	0	54	26	13,210	179,553	88,986	**283,749**			65,171	**348,920**
Correction of past errors									0	28,136	28,136			7,034	35,170
Status as of 30.6.2022 – corrected									179,553	117,122	**311,885**			72,205	**384,090**
Reclassification of the full profit/loss as at 30.6.2022 to retained earnings/unremitted losses of previous years		0	0	0	0	0	0	0	117,122	–117,122	0			0	0
Foreign currency share repackaging – TRIKAYA FUND S.C.A., SICAV-FIS, in liquidation		0	0	7	0	0	0	7	0	0	7			0	7
Other modifications		0	0	0	0	–35	0	–35	–885	0	–920			2	–918
Other result of previous years	12.3.1	0	0	0	0	0	0	0	–2,982	0	–2,982			190	–2,792
Settlement of the purchase price for the sale of a 50% stake in the TRIKAYA cooperative	12.3.2	0	0	0	0	0	0	0	25,964	0	25,964			0	25,964
Full result for the period 1.7.2022–30.6.2023		0	0	0	0	0	0	0	0	8,375	8,375			–10,359	–1,984
Status as of 30.6.2023		2,000	10,260	2,877	0	19	26	13,182	318,772	8,375	**342,329**			62,037	**404,366**
Reclassification of the full profit/loss as at 30.6.2023 to retained earnings/unremitted losses of previous years		–	–	–	–	–	–	–	8,375	–8,375	–	–	–	–	–
Transfer of other assets to retained earnings/ unrealized losses of previous years – Developer Brno Hády		–	–	–	–	–	–26	–26	26	–	–	–	–	–	–
Other modifications		–	–	–	–	–	–	–	4,107	–	4,107	–	–	–2,036	2,071
Sale of 80% stake in The Landmark Building		–	–	–	–	–	–	–	17,377	–	17,377	–	–	5,195	22,572
Sale of a 100% stake in Bytového družstva Staňkova 30		–	–	–	–	–	–	–	4,762	–	4,762	–	–	–	4,762
Acquisition of a 50% stake in Čtvrť pod Hády III		–	–	–	–	–	–	–	–66,958	–	–66,958	–	–	–12,922	–79,880
Other result of previous years		–	–	–	–	–	–	–	–11,831	–	–11,831	–	–	–	–11,831
End of activity – OC Řepy		–	–	–	–	–	–	–	41,720	–	41,720	–41,720	–18,143	–	–18,143
Accounting result as of 30.6.2024		–	–	–	–	–	–	–	–	45,681	45,681	–	–	10,473	56,154
Status as of 30.6.2024		2,000	10,260	2,876	–	19	–	13,156	316,350	45,681	**377,187**	–41,720	–18,143	62,747	**380,071**

Share capital
The share capital consists of 10 ordinary shares in registered form in the amount of CZK 200 thousand of each one share. The share capital was paid up 100%.

Own capital – completed activities
Own capital from completed activities (OC Řepy) was accounted for independently, which is primarily compiled of losses from previous years.

Capital management
The Group manages its capital structure to ensure that the Group entities are able to continue as healthy businesses while maximising returns to shareholders and minimising the involvement of external sources of funding. The Group recognises and monitors as "capital" the sum of equity and all liabilities to owners (as at 30 June 2024: CZK 392,233 thousand, as at 30 June 2023: CZK 404,366 thousand).

The ratio of net debt to equity

(in thousands CZK)	1.7.2023–30.6.2024	1.7.2022–30.6.2023 corrected
Operating liabilities	305,324	184,746
Minus: cash and cash equivalents	–95,195	–49,325
Net debt	210,129	135,421
Equity and liabilities to owners	392,233	404,366
Net debt/equity (%)	**54%**	**33%**

None of the members of the consolidating entity is subject to external capital structure requirements such as bank covenants, etc. The principles for managing the capital structure have not changed from the previous financial year.

11.3.1. Sale of a subsidiary

Sale The Landmark Building a.s.
As stated in 10.11.1 on 29 February 2024, the Group sold its interest in The Landmark Building a.s.

The net assets of The Landmark Building a.s. at the date of sale

(in thousands CZK)	1.7.2023–29.2.2024
Investment real estate	109,050
Cash and cash equivalents	4
Current assets – trade receivables	53
Current assets – other	3,381
Short-term liabilities	–69,865
Long-term liabilities	–52,322
Net assets sold	–9,699
Profit on sales	13,247
Total countervalue	**22,946**

Net cash flows from the sale of a subsidiary

(in thousands CZK)	1.7.2023–29.2.2024
Consideration received in cash and cash equivalents	13,303
Minus: cash flows and cash equivalents sold	–4
Net cash flows from sale of subsidiary	**13,299**

Part of the sale price of CZK 9,268 thousand was paid by crediting a loan from the buyer.

Sale of Bytové družstvo Staňkova 30
As stated in 10.11.2 on 19 April 2024 the Group sold its interest in Bytové družstvo Staňkova 30.

The net assets of the Staňkova 30 Housing Cooperative at the date of sale

(in thousands CZK)	1.7.2023–19.4.2024
Investment real estate	17,435
Cash and cash equivalents	6,249
Current assets – trade receivables and advances	35
Current assets – other	10,071
Short-term liabilities	–558
Long-term liabilities	–26,610
Net assets sold	6,622
Profit on sales	5,512
Total countervalue	**–1,110**

Net cash flows from the sale of a subsidiary

(in thousands CZK)	1.7.2023–19.4.2024
Consideration received in cash and cash equivalents	0
Minus: cash flows and cash equivalents sold	–6,249
Net cash flows from sale of subsidiary	**–6,249**

The full amount of the purchase price has been paid by way of set-off against a loan from the purchaser.

The impact on the sales of both companies on the Group's results in the current and prior years is set out in 10.11

The gain on the sale of both companies is included in profit from discontinued operations in the current period (see 10.11).

There were no sales of subsidiaries in the period ending 30 June 2023.

11.3.2. Acquisition of subsidiaries

On 5.1.2024 the company Čtvrť Pod Hády II s.r.o. was established with a cash contribution to the registered capital of CZK 200 thousand CZK.

No companies were acquired in the current period.

12. Transactions with related parties

The table below shows all significant transactions and balances that have taken place or existed at the balance sheet date.

Revenue with related parties

(in thousands CZK)	Related person	1.7.2023–30.6.2024	1.7.2022–30.6.2023
Rental income	ASTERION CAPITAL (Akcionář)	1,000	0
Rental income	Alexej Veselý (Ultimátní vlastník a člen představenstva Společnosti)	60	0
Total revenue		**1,060**	**0**

Costs with related parties

(in thousands CZK)	Related person	1.7.2023–30.6.2024	1.7.2022–30.6.2023
Overheads	ASTERION CAPITAL (Akcionář)	3,350	2,301
Overheads	FINMASTER MANAGEMENT (Akcionář)	2,465	3,900
Total costs		**5,815**	**6,201**

Receivables from related parties

(in thousands CZK)	Related person	1.7.2023–30.6.2024	1.7.2022–30.6.2023
Assignment of receivables from the company Chalupa Kadov	ASTERION CAPITAL (Akcionář)	0	2,620
Financial claim	ASTERION CAPITAL (Akcionář)	13,340	0
Financial claim	FINMASTER MANAGEMENT (Akcionář)	15,960	900
Financial claim	Alexej Veselý (Ultimátní vlastník a člen představenstva Společnosti)	0	5
Sale of assets	Alexej Veselý (Ultimátní vlastník a člen představenstva Společnosti)	0	845
Total receivables		**29,300**	**4,370**

Liabilities to related parties

(in thousands CZK)	Related person	1.7.2023–30.6.2024	1.7.2022–30.6.2023
Financial liability	Alexej Veselý (Ultimátní vlastník a člen představenstva Společnosti)	43	0
Financial liability	FINMASTER MANAGEMENT (Akcionář)	12,115	0
Total liabilities		**12,158**	**0**

All transactions with related parties were concluded on normal commercial terms.

13. Liabilities not recognised in the balance sheet and other guarantees

Trikaya Asset Management a.s. guarantees the obligations of Trikaya CRE a.s., ID No.: 090 21 345, in connection with the private placement of Trikaya CRE 8.75/25 and Trikaya CRE 8.00/27 bonds up to a total amount of CZK 144 million.

Furthermore, the Company guarantees Trikaya CRE a.s.'s obligations under individual loan agreements concluded with individuals up to the amount of CZK 90,000 thousand if the borrower fails to meet its valid and due obligations.

Trikaya Asset Management a.s. also acts as a co-borrower under Loan Agreement No. 757831202442 dated 28 March 2024, concluded with Bank CREDITAS a.s., together with Developer Brno Hády a.s. and Čtvrť Pod Hády I s.r.o. The loan was drawn for the purpose of financing Phase I of the Čtvrť Pod Hády project and as at 30 June 2024 its outstanding principal amounted to CZK 459,101 thousand. The loan is secured by, among other things, a pledge over 100% of the shares in Čtvrť Pod Hády I s.r.o.

14. Risks of the Group

The Group's activities entail several business risks that need to be taken into account. The Group's principal risks are set out below and the risk classification of *low – medium – high* is always indicated in brackets.

14.1. CREDIT RISK (HIGH)

Credit risk is the ability of the borrower (tenants and buyers) to pay their obligations to the Group in a proper and timely manner.

The Group does not grant any financial loans, credits or other financial instruments and therefore has no receivables from partners in respect of these financial instruments.

Credit risk management can be divided into 3 categories according to the different types of returns:

- Credit risk arising from the construction and sale of real estate projects
- Credit risk arising from the construction, rental and management of own real estate
- Credit risk arising from the management of foreign real estate.

The concentration of credit risk is low due to the distribution of financing by individual projects and assets to different subsidiaries so that individual projects and related liabilities, receivables, etc. do not threaten the functioning of the entire Group.

The Group provides for an allowance for Trade receivables from property lease agreements. Details of the calculation of the allowance are set out by type of past due receivable in 11.1.7.

14.1.1. Managing credit risk arising from lease contracts

Credit risk arising from lease agreements is the risk that tenants of non-residential units in shopping centres or office buildings will not be able to pay their rent and utility bills on time. As a result, the Group may have difficulty paying its debts arising from commercial or financial contracts. The Group tries to select its tenants based on whether the tenant is also in another property within the competitor and its history of successful operations within the business. The credit risk of a given tenant is assessed in the case of shopping centres on a regular basis by checking the healthy ratio of the rent amount to the total turnover of the tenant by segment in the given commercial unit. The credit risk is further mitigated in the form of security deposits paid by the tenant or guarantees provided by banking institutions to cover rent and utilities. For office buildings, credit risk is managed through paid deposits or guarantees and also by assessing the financial strength of the tenant according to its historical business activity or its statements.

14.1.2. Managing credit risk arising from purchase contracts in the sale of residential projects

In the case of credit risk management of purchase contracts for residential projects, the procedure is that a future purchase contract is signed with the prospective purchaser of the residential unit, based on which the client must pay a deposit of 10%-20%. Upon completion of the construction and approval, a notice is sent to everyone to pay the purchase price. Once the purchase price is paid, the purchase contract is signed and submitted to the Land Registry and the ownership of the property is transferred to the buyer. Until 100% of the purchase price is paid, the property is still owned by the Group. Each prospective buyer is assessed as having the means to pay the deposit on the purchase price and is also asked whether they will pay the purchase price through a mortgage loan or from their own resources. In the case of a mortgage loan, the bidder may use a partner company recommended by the Group to the bidder, which is able to confirm to the Group that the bidder will obtain a mortgage loan to cover the full purchase price.

14.2. LIQUIDITY RISK (HIGH)

Liquidity risk is the risk of a short-term shortage of liquidity to meet maturing debts, i.e. an imbalance in the structure of assets and liabilities due to different maturities of debts and different portfolios of funding sources. Delays in the payment of maturing debts due to a lack of liquidity may result in disruption of business relationships and loss of business partners, possibly resulting in penalties and increased costs. This may lead to a decrease in operating income, an increase in costs and therefore a decrease in profit and consequently a default on liabilities.

The primary objective of liquidity risk management is to limit the risk that the Group will not have the resources to meet its debt, working capital and capital expenditure commitments.

Liquidity risk may also manifest itself in the inability of the Company or individual companies in the Group to meet their financial obligations, which may lead to financial losses. The ability to repay debts depends primarily on the ability to secure sufficient resources to repay debts. The repayment risk is based on the risk of the real estate market in the Czech Republic in terms of demand for residential units, rental of non-residential premises, price level of real estate. Furthermore, the risk is also based on currency risks in the case of projects with sales or proceeds in a foreign currency compared to the currency of the debt instrument.

Liquidity risk is assessed on an ongoing basis at the level of the Group's statutory body.

Liquidity risk may also be affected by the risk associated with secondary commitments under loan agreements as described in 14.3.2.

The table below shows the different types of liquidity risk over time:

Liquidity risk profile over time as at 30.6.2024

(in thousands CZK)	within 12 months	over a period of 12–24 months	over a period of 24–36 months	over a period of 36–48 months	over a period of 48–60 months	over a period of 60–72 months	over 72 months	Total
Trade and other receivables*	6,130	0	0	0	0	0	0	6,130
Trade payables	267,334	0	0	0	0	0	0	267,334
Loan commitments	46,715	551,855	49,030	649,272	0	0	0	1,329,872
Bond liabilities	463,206	141,084	77,316	0	0	0	0	681,606
Liabilities under leases	3,432	1,526	23	0	0	0	0	4,981
Other financial liabilities	139,520	126,258	121,208	0	0	0	0	386,986

* Trade and other receivables are only those receivables that are due and likely to be paid.

Liquidity risk profile over time as at 30.6.2023

(in thousands CZK)	within 12 months	over a period of 12–24 months	over a period of 24–36 months	over a period of 36–48 months	over a period of 48–60 months	over a period of 60–72 months	over 72 months	Total
Trade and other receivables*	10,429	0	0	0	0	0	0	10,429
Trade payables	170,712	814	814	814	814	814	2,170	176,952
Loan commitments	668,163	95,048	95,137	93,716	1,134,778	171	1,195	2,088,208
Bond liabilities	179,995	370,348	2,247	25,821	0	0	0	578,411
Liabilities under leases	3,664	3,363	1,526	23	0	0	0	8,576
Other financial liabilities	49,074	61,485	79,129	4,486	44,054	0	0	238,228

* Trade and other receivables are only those receivables that are due and likely to be paid.

14.2.1. Liquidity risk management

Liquidity management aims to ensure that resources are available at all times to ensure that debts are paid as they fall due. The concentration of this risk is limited due to the different maturities of the Group's debts and the Group's portfolio of funding sources.

At the level of individual projects of the Group, liquidity risk management is directed towards the business plan and cash flow of a given project.

Receivables in office building or shopping centre projects arising from the lease of non-residential premises are managed by controlling the due date of individual tenant invoices. Financial Controlling, together with an external accounting company, checks the individual invoice due dates and provides information to the property operations manager regarding the solvency of the individual tenants in order to communicate the receivable to the tenant.

As far as residential projects are concerned, each project has a fixed cost cash flow plan, according to which funds are gradually provided to the project up to the amount required (according to the terms of the senior loan) for the senior lender's entry, whereupon the project invoices are paid from the senior lender's project loan. Upon completion of the project, notices are sent out to prospective purchasers for payment of the purchase price.

Liquidity management in terms of debt maturities is managed through each project's business plan, which provides for a fixed timetable that corresponds to the maturity of the debts on the project and in the event of a project default, the Group must decide whether to proceed with the project and extend the maturity of the debts by refinancing or renegotiating the terms or to exit the project by selling it.

The Group works with a cash flow plan on each project as well as a Group-wide cash flow plan which is evaluated on a monthly basis.

(in thousands CZK)	30.6.2024	30.6.2023
Current liquidity ratio*	81%	36%
Quick liquidity ratio**	9%	8%
Cash liquidity ratio***	5%	4%

* Current liquidity is calculated as the ratio of current receivables to current liabilities.
** Quick liquidity is calculated as the ratio of cash and cash equivalents (after excluding restricted cash), other current receivables, short-term trade receivables (receivables up to 179 days past due at 100%, between 180 and 360 days past due at 50% and over 360 days past due at 0%) and short-term trade advances to current liabilities.
*** Cash liquidity is calculated as the ratio of cash and cash equivalents (excluding restricted cash) to current liabilities

The Group may be exposed to contingent liquidity risk arising from loan agreements under which, if the specified contractual provisions are breached, the lender may require the loan to be repaid or, conversely, not provided, which may result in an unplanned need for funds earlier than the original maturity date. For more information on breaches of loan agreements, see 14.3.2.

14.2.2. Risk of dependence on external financing (high)

External financing of the Group companies is secured through private and public bond issues, private loans and borrowings and external financing secured by financial institutions. The dependence of project financing on the relevant financial institutions and their willingness to finance a project at a given time and place could result in an inability to refinance individual bank loans currently held by Group companies or, conversely, to finance new projects. In some cases, the Company may also act as guarantor to the Group's external finance providers for its subsidiaries – see Chapter 13. The Group endeavours to conduct its business with due diligence and with the best of conscience and intentions so as to make the Group sufficiently attractive to all interested parties amongst partners, investors, banks, funds and other providers of capital for various forms of investment in the Group for development activities.

14.3. MARKET RISK (HIGH)

Market risk is the risk associated with changes in market prices, such as interest rates and prices (values), that will affect the income or value of the Group's financial instruments. Market risk can also be changes in oil prices on world markets that affect construction costs indirectly through the supply of materials. The objective of market risk management is to eliminate the negative impact of market factors on earnings and cash flow. Market risks are predominantly based on open interest-bearing debt positions. More information on these open positions is contained in the specific risk factors Liquidity Risk and Interest Rate Risk.

14.3.1. Risk of interest rate changes (low)

The increase in interest rates is also an increase in the cost of finance and thus makes construction activities, which are usually financed to a significant extent by foreign capital, more expensive. Interest rate risk is mainly related to long-term loans and borrowings. The Group companies use external debt financing to finance construction projects. Bank financing liabilities bear interest at a floating interest rate, which consists of the underlying rate (PRIBOR, EURIBOR) plus an appropriate margin.

The following table shows the Group's financial liabilities bearing interest at floating rates as at 30 June 2024 (in thousands CZK):

Floating rate loans as of 30.6.2024

Borrower	Credit Company	Interbank rate	Margins	Currency of the loan	Maturity	Loan balance as of 30.6.2024
Euro Mall Brno Real Estate	Raiffeisenbank a.s.	3M EURIBOR	2.40%	EUR	31.12.2027	37,295
Developer Brno Hády	CREDITAS	3M PRIBOR	5.50%	CZK	31.03.2025	459,102
Total						**496,397**

Floating rate loans as of 30.6.2023

Borrower	Credit Company	Interbank rate	Margins	Currency of the loan	Maturity	Loan balance as of 30.6.2023
OC Řepy	J&T Banka a.s.	3M PRIBOR (Transe I & II); 12M PRIBOR (Tranše III)	5.2% (Tranche I & II); 11.55% (Tranche III)	CZK	20.07.2023	0
Euro Mall Brno Real Estate	J&T Banka a.s.	3M EURIBOR	5.50%	EUR	31.12.2024	0
Total						**0**

Fluctuations in the market for interest (underlying) rates may adversely affect the cost of debt financing as well as the fair value of interest rate hedging transactions, which in turn could adversely affect the Group's earnings and equity.

Residential, office and commercial projects are financed through short and medium-term loans. For long-term projects of a capital nature (e.g. purchase of land for future construction), the Group uses equity financing.

The risk of changes in interest rates also affects residential projects in the form of possible reduced demand for mortgage loans and thus lower demand for residential housing.

The following table shows the effect of a change in the floating interest rate of ±0.5% on the profit and loss and equity as at 30 June 2024 and 30 June 2023:

Effect of interest rate changes on equity and comprehensive income

	Impact of interest rate changes on the comprehensive income and equity as at 30.6.2024		Impact of interest rate changes on the comprehensive income and equity as at 30.6.2023	
Borrower	Change of +0.5% p.a.	Change of –0.5% p.a.	Change of +0.5% p.a.	Change of –0.5% p.a.
Developer Brno Hády	–1,813	1,813	0	0
Euro Mall Brno Real Estate	–147	147	0	0
Total	**–1,960**	**1,960**	**0**	**0**

At 30 June 2024, due to a change in the interest rate of ±0.5%, the impact on equity would be ±0.5% and the impact on the full profit or loss would be ±8%.

As of June 30, 2023, due to a change in the interest rate of ±0.5%, the impact on equity would be ±0% and the impact on the comprehensive income would be ±0%.

For more on loans see 11.2.2.

14.3.2. Risk associated with secondary obligations under loan agreements (medium)

Loan agreements concluded between the financing banks and individual Group companies allow for the establishment of additional covenants or restrictions for individual Group companies, or the establishment of other special conditions and covenants, the breach of which may lead to an increase in the interest rate or, in certain circumstances, to the early repayment of the loans granted. For example, individual Group companies are committed to maintaining certain ratios with banks. In the case of residential projects, only the indicators are met at the beginning before the financing (signed future purchase contracts, paid customer deposits, building permits, own funds, etc.). During the financing and construction of the project, only one indicator is checked, namely loan-to-value. That is, after a certain amount of invested bank funds, an appraisal must be made and the value of the construction must always be higher than the loan drawn down. For income-generating projects, the debt service coverage and occupancy ratio ("covenants") must always be maintained. It cannot be excluded that in the future there will be defaults on these financial covenants. If a Group company breaches one or more of the Financial covenants or fails to comply with other conditions of the loan agreements, such a situation may lead to the repayment of the loans, or the termination of the loan or cooperation agreements (without or at very short notice) or an increase in the interest rates of the loans in question. In such cases, if other sources of financing are not secured in a timely manner and the loans granted become prematurely repayable, there is a risk that the relevant financing bank or other lending institution will dispose of the assets that were granted as collateral for the loan. Such actions by funding institutions would have a negative impact on the Group's liquidity as defined in 14.2 in terms of the inability to secure new funding during the relevant prepayment periods. This would also affect the financial and earnings position of the Group companies.

The following table shows the Group's most significant covenants in relation to bank or non-bank loans as at 30 June 2024:

As of 30.6.2024

Project	Creditor	Debt service coverage	Future debt service coverage	Loan to value
OC Futurum	Raiffeisenbank	at least 1.2	at least 1.2	less than 70%

As of 30.6.2023

Project	Creditor	Debt service coverage	Future debt service coverage	Loan to value
Řepy Shopping Centre	Česká spořitelna	at least 1.2	at least 1.2	less than 70%
	upvest			less than 90%
OC Futurum	Raiffeisenbank	at least 1.2	at least 1.2	less than 70%
Čtvrť Pod Hády	J&T Banka			less than 75%

14.3.3. Price risk (medium)

The Group operates in the residential housing and office and retail segments and its results of operations are indirectly dependent on the price level of construction and related works, property price level and rental rates. If the Group were to be forced to pay higher prices in the construction of properties or if property price levels and rents were to decrease, this could have an indirect negative effect on the results of operations and, consequently, on the Group's ability to meet its financial obligations.

14.3.4. Risk of economic recession (medium)

The real estate market is dependent on the macroeconomic development of the country. In the case of the Group, it is solely dependent on the economic development, or the state of the labour market, of the Czech Republic. A downturn in the country's economic activity may threaten the Group's ability to meet its obligations.

The Group's business may be affected by actual impacts (reduced purchasing power) or even just potential recessionary fears, which typically lead to more cautious behaviour by market players, i.e. less consumption, including lower demand for the Group's projects, which may have an adverse impact on results (see also Residential Housing Market Deterioration Risk). Furthermore, an economic recession may result in unexpected changes in economic, regulatory, administrative or other policies over which the Group has no control and cannot predict (typically changes in tax burdens and tax structures, see also Legal, Regulatory or Tax Risk).

The labour market in the construction sector has been negatively affected by the Russian invasion of Ukraine, which has caused construction companies in the Czech Republic to lose some of the Ukrainian workers covered by the mobilisation. Problems with the supply of certain materials cannot be ruled out either, which together may result in a postponement of the deadlines of individual projects implemented by the Group or a decrease in their profitability.

14.3.5. Risk of cost increase (high)

The Group insures individual projects against common risks, i.e. against natural disasters, business interruption or vandalism. However, there is a risk of future costs arising from uninsured risks, mainly multiple works or unexpected repairs to construction machinery. Such costs can lead to a loss of cash flow and a decline in profits.

The outcome of a development project also depends on the amount of acquisition costs, such as the purchase price of the land, construction, technical services (architect, technical supervision, project management, surveying services) or financial costs. These costs may vary over time and exceed the planned level. These cost increases could have a negative impact on the profit and loss of the project, which may have an adverse impact on the Group's ability to meet its debt obligations under the Bonds.

The risk of increased supplier price increases exists mainly in the above-mentioned development projects. For commercial projects, it is mitigated by the existence of inflation clauses in lease agreements.

Especially in the past period, the risk of higher energy prices such as electricity and natural gas was evident. This may affect both indirectly the contractor of a residential or commercial project in terms of higher costs, and tenants through the need to charge higher costs to tenants who may refuse to pay them, or purchasers of residential units who may be deterred by higher energy prices from purchasing units in the Group's residential projects.

14.3.6. Currency risk (high)

The risk operates indirectly through the subsidiary Euro Mall Brno Real Estate, which by the nature of its business has a lease recorded in EUR but invoiced in CZK at the CNB rate according to the invoice date. This means that any movement in currency exchange rates is passed on to the tenants at the invoice date. As a result, the risk of lower income due to debt repayment is low. The risk of a movement in the CZK/EUR exchange rate from the date of issue to the date of repayment is limited to the maturity period of the invoices issued, which is a maximum of 14 days. As the income from the tenants in CZK is subsequently further converted into EUR due to the debt repayment to the senior lender which is in EUR, there is a risk, albeit very small, that due to the difference in the exchange rate from the invoice date to the date of conversion of the rent received to EUR account, the Company will not have sufficient funds in foreign currency to repay the loan. Currency risk also includes the fact that the value of the OC Futurum project will always be quoted and valued in EUR. As a result of this fact, the eventual sale of the said project in EUR and the transfer of the proceeds from the sale into CZK may be affected by the exchange rate and thus the Group's ability to meet its obligations. The depreciation of foreign currencies against CZK may also increase the Group's indebtedness if liabilities in CZK exceed assets denominated or valued in foreign currencies.

The following tables show the effect of a change of ±5% in each exchange rate on the comprehensive income and equity as at 30 June 2024 and 30 June 2023:

Sensitivity table of exchange rate changes

	Exchange rate sensitivity as of 30.6.2024			Exchange rate sensitivity as of 30.6.2023		
Foreign currency	CNB exchange rate	Change of +5%	Change of –5%	CNB exchange rate	Change of +5%	Change of –5%
Developer Brno Hády	–1,813	1,813	1,813	0	0	1,813
Total	**–1,960**	**1,960**	**1,960**	**0**	**0**	**1,960**

Effect of changes in foreign exchange rates on equity and comprehensive income

	Impact of interest rate changes on the comprehensive income and equity as at 30.6.2024		Impact of interest rate changes on the comprehensive income and equity as at 30.6.2023	
Foreign currency	Change of +5%	Change of –5%	Change of +5%	Change of –5%
EUR	26,379	–26,379	44,614	–44,614
Total	**26,379**	**–26,379**	**44,614**	**–44,614**

As of 30 June 2024, due to a change in exchange rates of ±5%, the effect on equity would be ±9% and the effect on the full profit or loss would be ±139%.

At 30 June 2023, due to a change in exchange rates of ±5%, the effect on equity would be ±11% and the effect on the full profit or loss would be ±2,249%.

14.3.7. Risk of residential housing deterioration (high)

The Group operates primarily in the residential real estate development sector and is exposed to specific risks of the real estate market, such as cyclicality, fluctuations in the macroeconomic environment, dynamics of demand for apartments and rentals, fluctuations in interest rates on mortgage loans, movements in apartment prices and rents and activity of competing developers.

During periods of economic slowdown or recession, there may be a reduction in demand in the residential housing market, particularly a decline in demand for home purchases and rentals. This reduction in demand may have an adverse effect on the Group's income from the sale of apartments or from the rental of apartments and thus affect the Group's profit or loss.

The Group is engaged in the residential housing and commercial space business and is a competitor. Increased competitive activity may cause upward pressure on construction costs (higher demand for construction capacity), lower housing prices and rents and, consequently, lower revenues. In a highly competitive environment, the Group may not be able to respond flexibly to the changing competitive environment. This may lead to a decrease in operating income, an increase in costs and therefore a decrease in profit.

14.4. OTHER RISKS

14.4.1. Contingency risk (low)

An unforeseeable event (e.g. natural disaster, terrorist attack, war) that causes fluctuations in the property market may affect the Group's return on cash used in its business and thus jeopardize the Group's ability to repay its obligations.

14.4.2. Property insurance risk (low)

Individual Group companies have property insurance on their most important assets. Nevertheless, the costs associated with any natural or other unforeseen events (such as fire, storms, flood, windstorm, hailstorm, etc.) may have a negative impact on the Group's assets and economic and financial position as property insurance does not provide full coverage for all risks related to the assets and therefore may also adversely affect the Group's ability to meet its liabilities. In the case of construction projects, to eliminate this risk, the general contractor is required to insure the construction or the Group company itself insures the construction. In other cases where construction is not yet underway and the building is owned by the Group, a security service is ordered to cover vandalism.

14.4.3. Risk of losing key people (high)

The Group's key persons, i.e. the Chairman and Deputy Chairman, are involved in the development and implementation of key business strategies. Their actions are critical to the overall management of the Group and its ability to implement and execute these strategies. The potential loss of these individuals could adversely affect the business of the Group as a whole, in particular by jeopardising the development or potentially stifling business activities.

14.4.4. Risk associated with the expansion of the Group's business activities (low)

The expansion of the Group's business may be adversely affected by a number of factors, including general political, economic, infrastructure, legal or fiscal conditions, unexpected changes in political or regulatory conditions, recession, intellectual property laws, recruitment and management issues or government support for competitors. These factors may make the Group's business operations more difficult. As a result, implementation of the growth strategy may be difficult or even impossible. This could have a negative impact on the development of the business and the Group's financial position, position and results of operations.

14.4.5. Risk of insolvency proceedings (low)

According to Act No. 182/2006 Coll., on bankruptcy and methods of its resolution, as amended (hereinafter referred to as the "Insolvency Act"), a debtor is bankrupt if it has multiple creditors and debts for more than 30 days past due and is unable to pay these debts, or if it is over-indebted.

Despite the fact that an amendment to the Insolvency Act has been in force since 2012, which introduces certain measures to prevent unfounded and unsubstantiated petitions to initiate insolvency proceedings, it cannot be ruled out that such petitions will not be filed. Insolvency proceedings are initiated by a court order which is published by the court within two hours of the insolvency petition being delivered to the court. From the time of publication of the decree until the court decides on the insolvency petition (unless the court decides otherwise), the debtor is obliged to refrain from disposing of the estate and of any assets that may belong to it, if there are to be substantial changes in the composition, use or destination of those assets or a not insignificant reduction thereof.

Even though under Czech law the restrictions on the disposal of assets do not apply to, inter alia, acts necessary to run the business in the ordinary course of business or to avert imminent damage, it cannot be excluded that if the Group is subject to an unfounded petition for the commencement of insolvency proceedings under any law, they will be restricted for an indefinite period of time in the disposal of their assets, which could adversely affect the financial position of the Group or individual Group companies and their business results and therefore their ability to meet their obligations.

14.4.6. Risk of legal and other proceedings (low)

As at the date of the consolidated financial statements, the Group is not a party to any legal or arbitration proceedings that are materially related to the Group's financial or operational position. As at the date of the consolidated financial statements, there are no disputes to which the Group is a party that could jeopardise or materially adversely affect the Group's profit or loss. The Group is not aware of any such outstanding disputes. However, the existence of such disputes in the future cannot be ruled out.

14.4.7. Risk in relation to third party actions (low)

The Group's business may be disrupted by unexpected events such as terrorist attacks, sabotage, security breaches or other deliberate acts or criminal acts that may damage the Group's assets or otherwise adversely affect the Group's operations, reputation, financial condition or results of operations. Unexpected events may also result in additional operating costs, such as higher insurance rates and more expensive lending. These risks may adversely affect our business, financial condition, results of operations or ability to meet all of our obligations.

In addition, accidents that may occur on the Group's projects in connection with the use of certain assets may cause injury or death to people or other serious consequences and may expose the Group to potential claims that could result in significant liabilities, use of financial or managerial resources and possible reputational damage.

14.4.8. Risk related to dependence on service providers and subcontractors (medium)

The Group is exposed to risks related to its dependence on service providers and subcontractors in various business areas. Although the Group selects its partners prudently, it cannot guarantee the provision and quality of services provided by external entities or that such external entities will comply with applicable regulations. Financial difficulties, including the insolvency, of any such service provider or its subcontractors or a reduction in the quality of service, budget overruns or delays in the delivery of services may have an adverse effect on the business, financial condition and results of operations. Although the Group has back-up service providers and subcontractors, it cannot guarantee that such service providers and subcontractors will perform properly.

At the same time, it is possible that the market price of these third parties' services will change in the future, so the lack of price fixation in material supply contracts may lead to an increase in the cost of construction itself, with a negative impact on cash flow and profit.

The Group only works with large construction contractors who are able to provide construction insurance, bank guarantees and for whom the construction costs of the project do not represent 100% of their turnover.

14.4.9. Financial planning risk (low)

All estimates of future monetary variables (revenues, costs, cash flow), on the basis of which the suitability of a particular project is evaluated, are prepared with the utmost care and expertise. However, events may occur in the future which are impossible to predict or recognise from today's perspective and which may have a negative impact on the economic result. This is the risk that valuation models that work with future cash flows are constructed on the basis of inaccurate or estimated data. Both development and acquisition plans, which are the basis for modelling future cash flows, operate with a cash reserve. This cash reserve normally reflects negatively on the Group's accumulated profit, but also represents a risk reserve in the event of unexpected deviations from the plan.

14.4.10. Risk associated with the implementation of the Group's projects (medium)

Real estate projects are long-term processes. There can be a long period of time (even several years) between the start of preparation and the moment when the projects start generating revenues, when unexpected changes in the real estate market can occur. Although the Group takes into account the available analyses of the real estate market development in the project preparation process and consistently tries to take into account possible future risks, the possibility of, for example, incorrect estimation of demand development in a given location or overestimation of the project price cannot be completely excluded. In the event of an incorrect estimate of market development, the Group may lose a substantial part of its profit, which may ultimately have an adverse impact on its ability to meet its obligations.

14.4.11. Risk of warranty events for individual projects (medium)

Construction works are subject to a two-year warranty. During this period, there is a significant likelihood that claims will be made by clients. These unexpected costs may have a significant negative impact on the Group's assets or financial and earnings position. However, this risk is mitigated by a bank guarantee which the general construction contractor is required to provide upon completion of the works for a period of 5 years.

14.4.12. Risk arising from delay or cancellation of projects (medium)

The implementation of new development projects may be delayed, which may lead to later revenue generation than originally planned. For example, there may be certain constraints related to various permits, neighbour disputes, archaeological complications, delays during construction due to inclement weather or delays resulting from force majeure. In such cases, there is a risk that the sale of the project in question will be delayed, resulting in a loss of revenue. All of the above factors could have a significant negative impact on the assets and, potentially, the financial and earnings position.

14.4.13. Risk arising from incorrect estimates during project implementation (medium)

The risk operates indirectly through the Group's subsidiaries. The Group has extensive experience in the residential construction segment and the implementation of a real estate project is always based on an economic calculation that includes certain assumptions. These assumptions include, for example, the development of market interest rates, demand for real estate, economic growth estimates or expected changes in the zoning plan. If these assumptions prove to be incorrect, or if the development of certain factors differs from the planned development, this would have a negative impact on the profitability of the overall project, which in turn would affect the assets and, where appropriate, the financial and earnings position of the Group.

14.4.14. Risk associated with achieving stable income (medium)

The Group's ability to generate stable income is influenced by its ability to execute new projects, which may be influenced, for example, by the development of demand in the residential housing and office and retail markets, and the ability to obtain the necessary permits and capital for the construction of new projects. A potential downturn in the residential housing and office and commercial space development could adversely affect the Group's business, results of operations and financial condition. In order to diversify the risk, the Group does not only focus on residential housing construction, but has also completed and continues to develop non-residential projects such as shopping malls and office buildings.

14.4.15. Czech National Bank intervention risk (medium)

There is a risk that the current high interest rates of the Czech National Bank will indirectly lead to the maintenance of higher mortgage rates, which will negatively affect demand for real estate. There is also a risk that the Czech National Bank will implement further targeted measures to limit the availability of mortgage credit. In this case, demand in the residential housing market could weaken in the longer term and asset sales prices could fall. This may impair the Group's ability to meet its obligations.

14.4.16. Concentration risk (medium)

The projects developed by the Group until 2017 were exclusively in the residential housing segment. Only two projects included the purchase of shopping centres (OC Řepy, OC Futurum), the concentration of future sales decreases as the Group grows. The shopping centres were purchased precisely to reduce the concentration of sales in one segment. Concentration remains high geographically, and the Group is currently heavily exposed to the risk of adverse impact in the residential market in Brno, where all of its projects are located except OC Řepy, which is located in Prague, and the upcoming residential project in Blansko. The concentration risk may adversely affect the Group's ability to meet its obligations.

14.4.17. Risk related to the location of development projects (medium)

The value of the property depends largely on the location chosen. If the Group does not properly assess the suitability of the location for the investment project, it may be difficult to sell or lease the apartments and commercial premises profitably. Thus, in the event of low interest from potential customers, the Group may be forced to reduce the asking selling price of the property. The long-term vacancy of a property or the failure to achieve the planned sale or rental price of apartments and commercial space may affect the long-term profitability of a given development project, which may adversely affect the Group's economic position and its ability to meet its guarantee debts.

14.4.18. Real estate acquisition risk (medium)

Should it become apparent after legal proceedings that the Group is not the owner of any of the land in question, the Group will, after exercising all defences, negotiate with the owner for the purchase or lease of the land or the creation of an easement in return for compensation, in which event, if neither of these can be negotiated and litigation with the owner occurs, the Group will apply to the court to create an easement over the land in return for reasonable financial compensation at the normal price. Theoretically, the landowner could also request the removal of the structure under the law (or the annexation of the structure together with the land for compensation), but the Group believes that such an effort would be chicanery and should not be granted by the court, even in light of the fact that the structure was built in good faith, serves a public benefit function, the owner of the structure is prepared to pay rent/compensation for the easement at the normal price, according to the principle of proportionality, etc. In addition, in such a case, it would have a claim for the return of the purchase price for the land on the grounds of unjustified enrichment. However, despite the above, if the Group is determined not to be the owner of the land under the building, it cannot be ruled out, purely theoretically, that a court could order the removal of the building, which could result in the cost of removal and loss of such buildings and the resulting material adverse impact on the Group's business.

14.4.19. Risk with development activities (medium)

The Group is exposed to risks related to its residential and commercial development activities. Development activities include all activities related to a specific project, from land acquisition to obtaining the necessary permits for construction and construction implementation to the sale of residential units. Each stage of the development cycle involves the risk of not reaching a certain stage of construction, which will make it impossible to complete the development.
At the stage of land acquisition, circumstances may arise, such as disputes over ownership rights to the land or the need for public permission to acquire such land, which may prevent the acquisition from being completed, or the acquired asset may have factual or documentary defects.
Permitting procedures are characterized by the participation of a large number of parties in the process (public administration, the public, activists, neighboring property owners, competitors and others), often with different interests and motivations, which can lead to frequent delays, as well as to changes in the project parameters compared to the original expectations (e.g., a change in concept or design), or even to failure to obtain the necessary permit. Planning the concept and design of a building is an important part of the development cycle, with shortcomings at this stage usually later will be reflected in increased investment costs. Also, interventions or changes in the concept during the construction phase cause time delays and cost increases compared to the original investment budget.
The construction of a particular project is linked to several construction contracts with subcontractors. Lack of coordination, as well as lack of cooperation from subcontractors, can lead to errors, delays or delays in construction deliveries, which can have a negative impact on the project's construction time and budget. However, errors by subcontractors can occur even after construction completion of the project, and even after the warranty period for a particular subcontract has expired. Deficiencies of a significant magnitude may also occur that exceed the coverage provided by the relevant subcontractor or its professional liability insurance policy. Risks associated with the Group's development activities may adversely affect the Group's operations, financial performance and financial prospects.

14.4.20. Approval process risk (medium)

The development project can be implemented only on the basis of valid permits in accordance with the legislation of the Czech Republic. This includes, in particular, compliance of the planned construction with the zoning plan and obtaining a valid zoning decision and building permit. The absence of valid permits may delay or stop the project. The risk arising from the absence of valid permits may adversely affect the Group's ability to meet its obligations.

There is also a political risk in terms of a possible negative change in the zoning plan that would lead to a reduction in the value and revenue of a particular project of the Group. This sub-risk is low, even taking into account the diversification of the business into a larger number of projects.

14.4.21. Risk of changes in customer preferences (medium)

Future potential changes in customer preferences caused by, for example, changes in the price level of apartments or changes in the standard of living of customers may lead to a reduction in demand for owner-occupied housing as opposed to rental housing, and this could result in a reduction in revenue from the sale of apartments by, for example, reducing the selling price, which would have an adverse impact on the Group's ability to meet its obligations.

14.4.22. Risk of disputes in connection with lease agreements (low)

Potential legal costs arising from disputes related to lease agreements could reduce profits or jeopardize the Group's ability to meet its obligations.

14.4.23. Legal, regulatory and tax risk (low)

The Group currently operates in the current legal, regulatory or tax environment in the Czech Republic. The Group incorporates these conditions and their expected development into its estimates. Deviations from expected developments may have a negative impact on the Group's business.

These include the potential increase in certain tax rates that would negatively affect cash flow, as well as knowledge of the current legal framework that affects the length of construction and planning procedures. Should legislative changes lead to a prolongation of these procedures, this could have a negative impact on the Group's cash flow.

14.4.24. Risk of anti-epidemic measures (low)

In the event of a re-intensification of the COVID-19 epidemic, the shopping centre segment may face a repetition of the previously applied anti-epidemic measures, such as limiting the number of shoppers according to the sales area, temporary closure of some (gastronomy) establishments, or others. Given the gradual fading of the epidemic in 2022, this risk is perceived as low and gradually disappearing as of the date of the consolidated financial statements.

15. Contingent liabilities and litigation

As of June 30, 2024, none of the companies in the consolidation unit were parties to the lawsuit as defendants. Accordingly, the Group does not record any contingent liabilities in respect of pending litigation that are not included in the consolidated balance sheet or require provisioning.

In several cases, Euro Mall Brno Real Estate a.s. acts as a plaintiff in proceedings brought to recover claims against third parties. These disputes concern claims arising mainly from lease and related contractual relations. The Group duly enforces these claims and any losses due to their uncollectibility are covered by provisions made.

The Group is not currently pursuing, nor is it aware of any other potential litigation that would result in future liabilities that are not disclosed in the statements at the date of the consolidated financial statements.

16. Subsequent events after the date of the consolidated financial statements

16.1. CHANGES IN BUSINESS HOLDINGS

On 3 July 2024, 100% of the shares in OC Řepy a.s. were sold to PRAGORENT Investment Fund with variable share capital, a.s.

On 19 August 2024, the company Čtvrť Pod Hády Energy s.r.o. was established to build and operate its own local distribution system within the Čtvrť Pod Hády project. On 21 May 2025, 50% of the shares of Enlead, a.s. were sold in order to establish strategic cooperation in the energy sector.

On 16 September 2024, the housing cooperative Čtvrť Pod Hády I was established, the founders of which became the companies Čtvrť Pod Hády a.s., Trikaya Asset Management a.s. and Trikaya Project Management a.s., each with a membership deposit of CZK 20 thousand CZK.

Since April 2025, a phased buy-back of Trikaya CRE a.s. preferred shares from external investors is underway with the aim of achieving a 100% stake. As at the date of the consolidated financial statements, the shareholding in the company amounted to 96.5%.

16.2. PROJECTS

Čtvrť Pod Hády

The construction of the first phase of the Čtvrť Pod Hády project (buildings D and E) has progressed to the stage of finishing the rough construction, installation of technical wiring, facade works and interior modifications. The installation of windows, plaster, roofs and prefabricated loggia components is underway on some of the buildings.

As of the date of the financial statements, 108 out of 167 housing units (i.e. 65%) had been sold, of which 79 were privately owned and 29 were in the form of cooperative housing. The project also sold 88 out of 167 basement cubicles (i.e. 53 %) and 105 out of 186 parking spaces (i.e. 56 %). The sale of cooperative housing is provided by the newly established Bytové družstvo Čtvrť Pod Hády I.

The second phase of the project (Buildings F and G) has a valid zoning permit and is currently undergoing the building permit approval process, which is expected to be issued in July 2025. Construction of this phase is expected to commence in the first quarter of 2026, following the sales progress of the first phase.

The third phase of the project (buildings A, B, C) is in the phase of preparation of project documentation for building permits, which is expected to be completed in April 2026. The building permit is expected to be obtained at the end of November 2026.

The project also includes a plan for the construction and subsequent operation of its own local distribution system, which is implemented through Čtvrť Pod Hády Energy s.r.o., 50% owned by the Group's strategic partner in the energy sector, Enlead, a.s.

Ponavia Rezidence IV

On 30 January 2025, a joint permit was issued for the Ponavia Residence IV project, which came into force on 25 March 2025. Following this, a tender for a general contractor is underway, which is expected to be completed in September 2025. Construction is scheduled to start in September 2025, after demolition works have been secured during the summer of 2025. Construction is expected to be completed by the end of 2027.

Železniční Komárov

Subsequent to the balance sheet date, all cumulative conditions for the sale of Phase I of the Železniční Komárov Project have been met. One of the main conditions was the entry into force of the zoning decision. On the basis of their fulfilment, on 6 November 2024, the transfer of the ownership right to the real estate was registered in the Land Register and the agreed purchase price was subsequently paid. The sale was carried out on the basis of the Purchase Agreement for the transfer of ownership of the real estate and the Purchase Agreement for the assignment of the licence and transfer of rights to the project, which were concluded on 30 April 2024 with Residence Na promenádě s.r.o.

16.3. BONDS ISSUED

Company

On 25 March 2025, the company issued a new private placement of TRIKAYA 0.00/26 bonds with a total volume of CZK 95 million. The issue is structured as a zero bond, i.e. without a regular yield, with the yield being the difference between the issue price and the nominal value. The issue price amounted to 89.66% and the maturity date was set for 25 March 2026. The bonds were subscribed in 100% of the volume and were fully repaid by way of set-off of claims between Trikaya Asset Management a.s. as the issuer and TRIKAYA nemovitostní fond SICAV, a.s. as the underwriter, on the basis of the Set-off Agreement dated 25 March 2025.

The subject of the above agreement was the Loan Agreement dated 10 August 2023 concluded between TRIKAYA nemovitostní fond SICAV, a.s. as the creditor and Trikaya Asset Management a.s. as the debtor. As at the date of conclusion of the netting agreement, the principal amount of this loan was CZK 76 million. As part of the netting, a part of the loan in the amount of CZK 14 million was repaid and subsequently, as of 30 April 2025, a further CZK 10.6 million was repaid. As of 30 April 2025, the principal amount of the loan was CZK 51.4 million.

Trikaya CRE

As of July 1, 2024, the private placement of Trikaya CRE 5.25/24 bonds issued on July 1, 2020 was fully repaid The total principal amount of the bonds repaid was CZK 57,500,000 + accessories.

As of October 20, 2024, Trikaya CRE has issued a new private placement bond called Trikaya CRE 7.85/27, which is used to finance the Group's commercial real estate. The new issue has a fixed coupon of 7.85% per annum payable annually and matures on October 20, 2024.

As of May 30, 2025, interest was paid on the Trikaya CRE 8.00/27 private placement issued on May 30, 2024. The total payout amounted to CZK 6,170,434.22.

Trikaya Asset Management a.s. guarantees Trikaya CRE in the form of surety statements in the non-public issues of Trikaya CRE 8.75/25, 8.00/27 and 7.85/27 bonds. As of April 30, 2025, the value guaranteed by Trikaya Asset Management a.s. amounts to CZK 331 million.

Trikaya RRE

As of July 1, 2024, the private placement of Trikaya RRE 5.50/24 bonds, which was issued on July 1, 2020, was fully repaid. The total principal amount of the bonds repaid was CZK 88,600,000 + accessories.

As of November 15, 2024, the private placement of Trikaya RRE 9.30/24 bonds, which was issued on November 15, 2022, was fully repaid. The total principal amount of the bonds repaid was CZK 32,600,000.00 + accessories.

As of January 15, 2025, the private placement of Trikaya RRE 6.90/25 bonds, which was issued on January 15, 2022, was fully repaid. The total principal amount of the bonds repaid was CZK 20,000,000 + accessories.

As of March 1, 2025, the private placement of Trikaya RRE 5.50/25 bonds, which was issued on March 1, 2021, was fully repaid. The total principal amount of the bonds repaid was CZK 38,600,000 + accessories.

Trikaya Ponavia Finance

As on March 1, 2025, Trikaya PF has issued a new private placement bond called Trikaya PF 7.50/28 to finance the Group's residential properties. The new issue has a fixed coupon of 7.50% p.a. payable annually and matures on March 1, 2028.

16.4. LOANS AND BORROWINGS

Čtvrť Pod Hády I s.r.o.

On 23 October 2024, a loan agreement was concluded between Čtvrť pod Hády I s.r.o. and Česká spořitelna, a.s. The loan is intended to finance the construction of the first stage of the Čtvrť pod Hády project. The credit framework is up to CZK 800 million. As of 30 April 2025, CZK 125 million has been drawn down.

On 24 April 2025, a loan agreement was concluded between Čtvrť pod Hády I s.r.o. and the investment platform Upvest s.r.o., the subject of which is the provision of a subordinated loan of up to CZK 510 million for the purpose of refinancing part of the own resources spent on the implementation of the Čtvrť pod Hády project. The loan currently bears interest at a fixed rate of 9.5% p.a., with principal and interest maturing on the final maturity date of 31 July 2028. The amount of CZK 80 million was borrowed from the Group for the period of 20 years.

Developer Brno Hády

On 27 March 2025, Amendment No. 2 to the loan agreement No. 757831202442 was concluded between Developer Brno Hády a.s., Čtvrť pod Hády III s.r.o. and Bank CREDITAS a.s., which extended the final maturity of the loan to 31 March 2026. The contract permits the extension of loan maturity by 1 year. After maturity, there is a 12-month period for repayment of the obligation.

Status as of 30.6.2025:

TRIKAYA

Asset Management a.s.

- 100 % TRIKAYA Project Management a.s.
  - 33 % Bytové družstvo Čtvrť Pod Hády I
- 100 % Trikaya nemovitostní fond SICAV, a.s.
- 100 % AIKONA, a.s.
- 80 % Mall Vienna Brno a.s.
  - 100 % Euro Mall Brno Real Estate, s.r.o.
- 100 % Trikaya RRE a.s.
  - 100 % PONAVA CENTRUM a.s.
  - 100 % Čtvrť Pod Hády a.s.
    - 100 % Čtvrť Pod Hády I s.r.o.
    - 100 % Čtvrť Pod Hády II s.r.o.
    - 100 % Čtvrť Pod Hády III s.r.o.
    - 100 % Čtvrť Pod Hády IV a.s.
    - 100 % Developer Brno Hády a.s.
    - 33 % Bytové družstvo Čtvrť Pod Hády I
- 100 % NEUMANN bytový dům a.s.
- 100 % PONAVIA REZIDENCE III a.s.
- 100 % ABILET Company s.r.o.
- 100 % Železniční Komárov s.r.o.
  - 100 % První Železniční Komárov s.r.o.
  - 100 % TRIKAYA Projekt Kalová s.r.o.
- 96,5 % Trikaya CRE a.s.
- 100 % Trikaya Ponavia Finance a.s.
  - 100 % Trikaya Ponavia IV s.r.o.
- 100 % TRIKAYA Energy s.r.o.
  - 50 % Čtvrť Pod Hády Energy s.r.o.
  - 100 % Trikaya Energy A s.r.o.
  - 100 % Trikaya Energy B s.r.o.
- 33 % Bytové družstvo Čtvrť Pod Hády I

07

Independent Auditor’s Report

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

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Trikaya Asset Management a.s.

Audit report on the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Trikaya Asset Management a.s., with its headquarters at Šumavská 519/35, Veveří, 602 00 Brno, IC (Registration Number) 29202078 (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 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 1 July 2023 to 30 June 2024 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. Details of the Group are presented in Note 6 of the consolidated financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 30 June 2024 and of its financial performance and its cash flows for the period from 1 July 2023 to 30 June 2024, in accordance with IFRS as adopted by the European Union.

Basis for Opinion

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

Other Matter

The Company's financial statements for the year ended 30 June 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 5 August 2024.

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.

Brno, 14 July 2025

Audit firm:	Engagement Partner:
BDO Audit s.r.o.	
BDO Audit s. r. o.	Oldřich Bartušek
Certificate No. 018	Certificate No. 2256

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