

akcenta



Annual Report 2023

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1 Foreword from the CEO



Ladies and gentlemen,

I think we all wished that 2023 would have been quieter year than previous ones. Sadly, Caesar's dictum „The wish is the father of thought“ still holds true. In Ukraine, in fact, people continue to die in a completely unnecessary war, and every day we are reminded how precious peace, freedom, democracy and other values on which our society is built truly are. The past year has not only tested these fundamental values, but also the stability and ability of companies to adapt to a very dynamic and changing environment.

An inflationary spiral that has significantly increased the threat of a recession in major markets continues due to the influence of a number of external and internal factors. Not only small and medium-sized companies had to immediately adopt transformational solutions that eliminated (mitigated) these negative effects. High levels of uncertainty and fear about future developments were reflected in the behaviour of our clients. They became more risk averse and engaged in more frequent invoicing and lower cross-border payment volumes.

In contrast, they made greater use of currency hedging, for which the volume of currency provided to clients increased year-on-year; most significantly on the Czech market. And our total number of clients increased, approaching the 55,000 mark.

2023 was full of challenges for our company Akcenta CZ, as we had to deal not only with external economic influences, but also with record growth in transactions settled for our clients. We managed this thanks to well-planned processes. We also put time into redefining our corporate visual identity change, and this for two reasons. The first was the fact that the previous logo and the company's entire visual branding had been in place for over 10 years. The second was the need to have a visual identity that would work well for the roll-out of our upcoming new digital solutions.

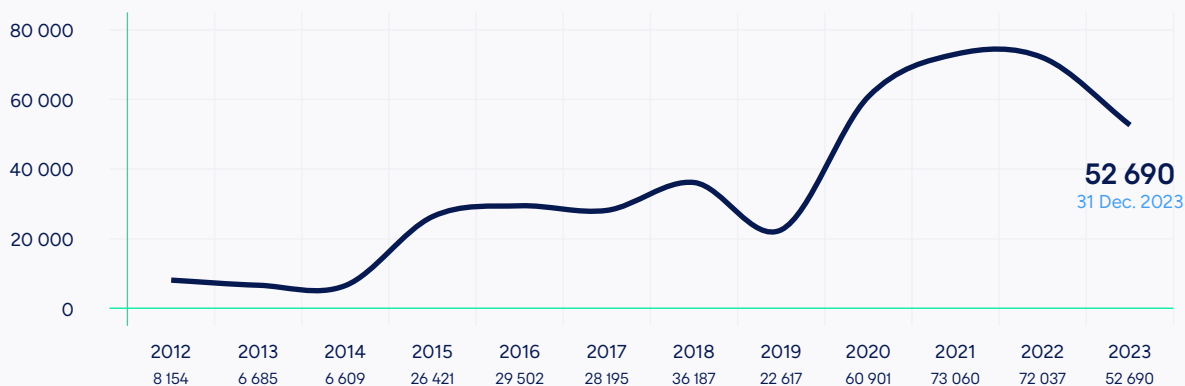
In fact, digitalisation was, and will clearly be in coming years, a key segment for Akcenta. It will rank as our highest priority. We are aware that it is essential to use modern technologies and digital tools to optimise our processes, increase efficiency and boost our company's competitiveness. However, digitalisation does not mean that we give up our personal approach to our clients, i.e., a feature that sets us apart from our competitors and which our clients from across the six European markets where we operate truly value. On the contrary, we want to be even closer to our clients but, at the same time, give them digital tools that make their work even easier and more efficient.

If I wrote that digitalisation is a top priority, that is not completely true. Our clients remain our highest priority. Without their trust we could never achieve our goals and realise our successes: even in a year as difficult as 2023 undoubtedly was. Last year required an enormous work commitment from all of our employees, for which I would like, at this moment, to thank them very much. I would also like to thank Milan Cerman, who has decided to leave Akcenta. As chairman of the company's board of directors, he led the business for almost 14 years and turned a small Czech company into one of the biggest players in the field of foreign exchange traders and later one of the most important payment institutions in Central Europe. For this we extend to him our sincere gratitude and thanks.

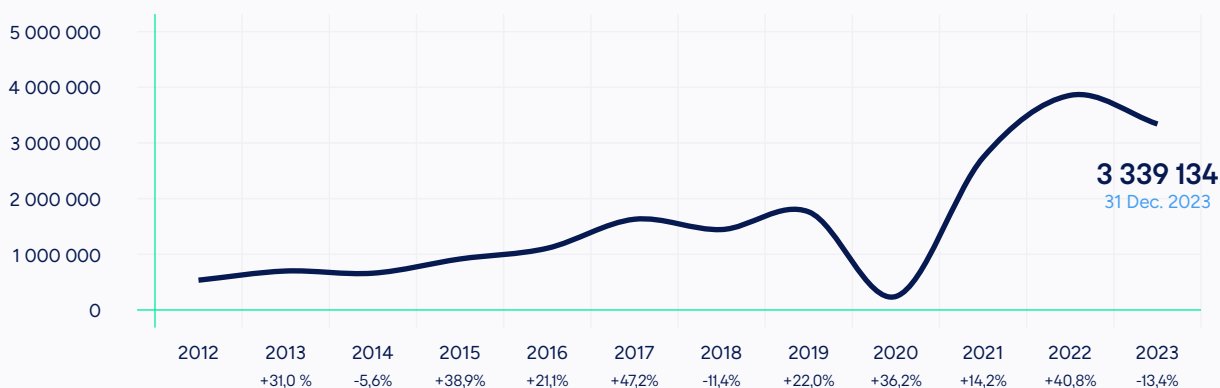
Jacek Jurczynski
Chairman of the Board

2 Key Performance Indicators

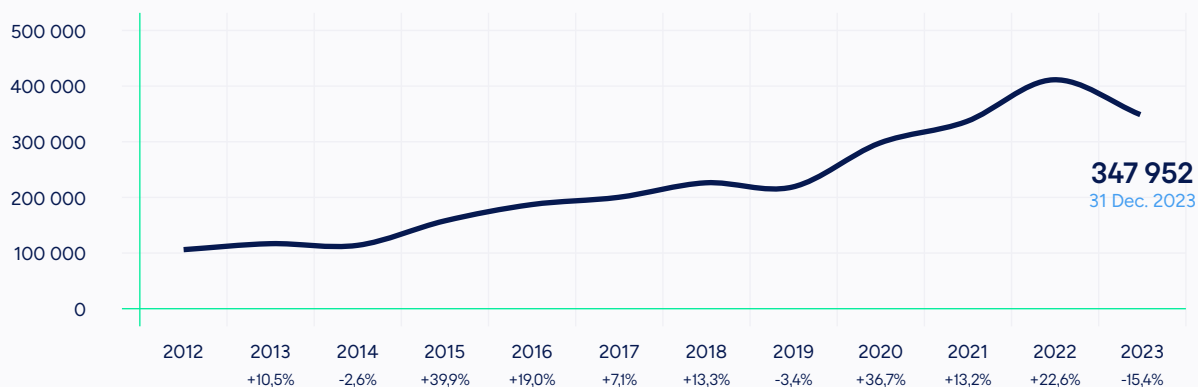
Evolution of post-tax financial (economic) results (in thousands of CZK)



Evolution of balance sums (in thousands of CZK)



Evolution of financial economic results (in thousands of CZK)



3 Most Important Events in 2023



Slow decline in inflation levels, higher interest rates



Key personnel changes

Jan Karger resigns from his post on the board of directors



Expansion of product range to include the TARF option for the Czech and Slovak markets



New akcenta.cz website



New corporate identity for Akcenta

4 Significant Events Occurring After the Close of the Accounting Period



Key personnel changes

Milan Cerman resigns from his post as chairman of the board of directors



Key personnel changes

Starting from 1 January 2024, Jacek Jurczynski is named chairman of the company's board of directors

5 Company Evolution in 2024



Introduction of the Zalep.to product on the Polish market



Continuation of the Company's digital transformation



Expansion of the TARF option product line to other markets



New websites for other markets



Introduction of the new corporate identity on other markets

6 Company Profile

Basic company characteristics [as of 31 Dec. 2023]

Company name	AKCENTA CZ a.s.
Headquarters	Salvátorská 931/8 110 00 Prague 1 Czech Republic
Operating facilities	Nerudova 1361/31 500 02 Hradec Králové 2 Czech Republic
Org. ID No.	251 636 80
Tax ID No.	CZ 251 636 80
Registration Court	Municipal Court in Prague, Section B, Entry 9662
Date of Formation	16 June 1997
Basic Capital	100 125 000 CZK
Shares (Stock)	Not publicly traded (privately owned)
Statutory Body	Board of directors
Number of Employees	123 employees, 3 board members

AKCENTA CZ a.s. in the parent company of the following companies

Company name	Headquarters	Share of basic capital (in %)			
		31 Dec. 2023	31 Dec. 2022	31 Dec. 2021	31 Dec. 2020
NERUDOVA property s.r.o.	Nerudova 1361/31, Pražské Předměstí, 500 02 Hradec Králové	100	100	100	100
AKCENTA DIGITAL s.r.o.	Nerudova 1361/31, Pražské Předměstí, 500 02 Hradec Králové	100	100	100	100
AKCENTA DE GmbH	Axel-Springer-Platz 3, 20355 Hamburg	100	100	100	0

Products and Services

AKCENTA CZ a.s. provides its clients with services in the following basic areas:

Payment transactions with currency exchange [currency trades]

Spot foreign exchange transactions, which include the purchase and sale of foreign exchange funds with settlement no later than 2 business days.

Payment services [domestic and foreign payment transactions]

These include the processing and execution of domestic and foreign payments according to our clients' requirements. The advantage for our clients is mainly the cost-effectiveness of the services, speed of processing and reliability.

Hedging of exchange rate risk through forward transactions

Forward, swap and option trades - trades with a longer maturity than the currency of the spot trades used to hedge the risk arising from future movements in exchange rates.

Other services

Online broker (OLB) internet trading platform

Offers clients the ability to convert funds at online foreign exchange rates, place and modify fixed orders for exchange rate monitoring and non-stop automatic execution, send and receive payments to and from abroad at favourable terms, enter standing and bulk payment orders, manage trading partners, generate ongoing statements, etc.

Dealing limit

Based on the evaluation of the financial statements, a zero security framework, partial or full substitution is possible blocking of funds required at the conclusion of futures operations.

Orders

Non-binding (call orders) or automatic trading when a set price is reached (fix orders).

Avízo

A product that significantly speeds up the settlement of payments even in cases where a client does business with a bank in which AKCENTA CZ a.s. does not have open bank accounts.

Zalep.to

A cash-flow management product for small and medium-sized businesses, where they can sell their invoices by assignment (handover) to a network of investors and thus have immediate access to funds tied up in issued (unpaid) invoices.

OPCE [OPTION]

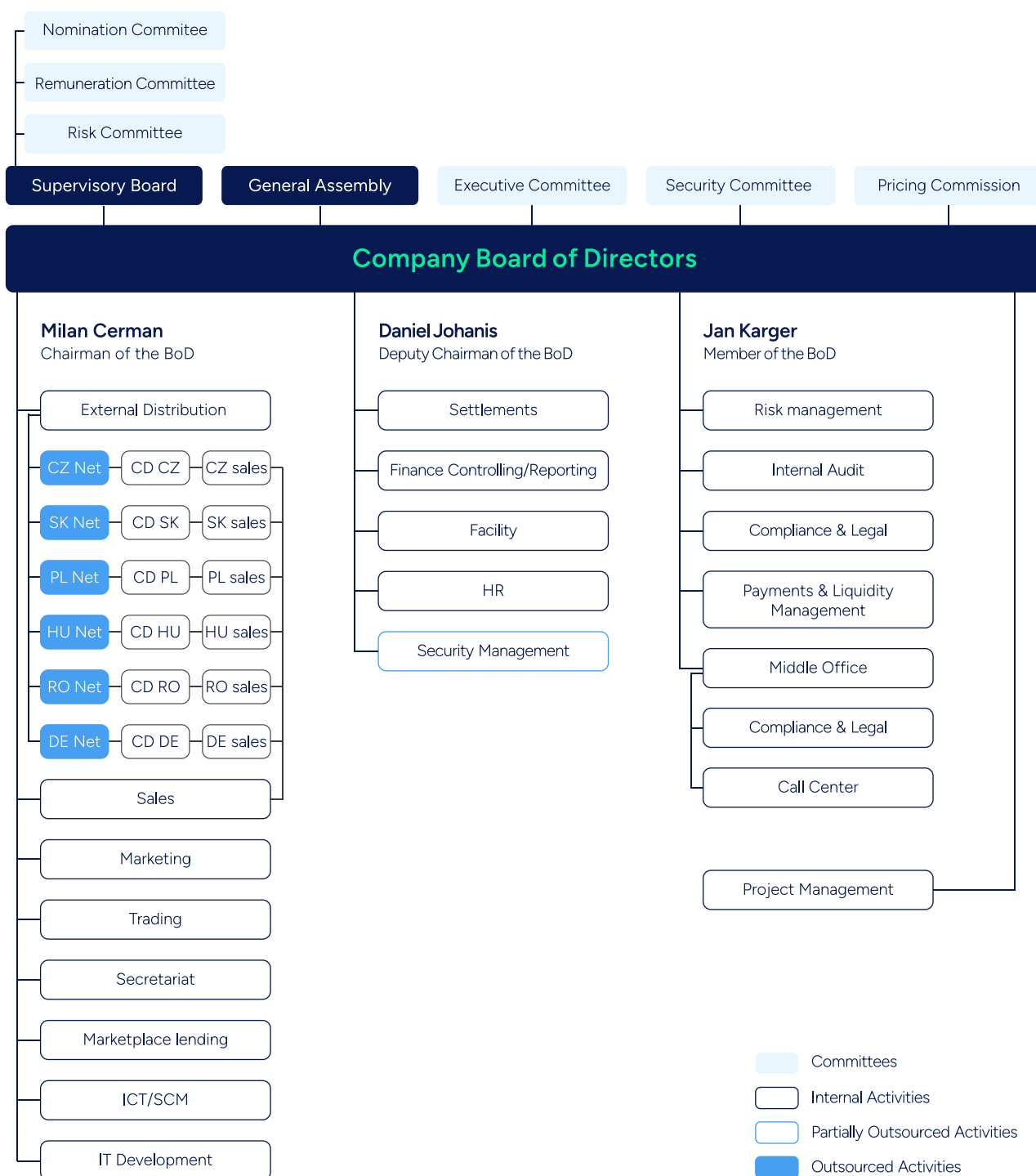
A financial instrument for hedging against risks to the client arising from possible negative developments in a particular currency pairing. When purchasing a CURRENCY OPTION, the client has the right, but not the obligation, to buy or sell the currency at a pre-agreed rate at a specified future date.

Other services

Other services including free information and reports for clients (research) - sending daily and weekly updates, sending data on current exchange rates when there are significant movements on the market.

7 Organisational Structure

AKCENTA CZ a.s. organisational structure as of 31 December 2023



8 Statement on Risks Undertaken 'and Indicators

01 Opinion on the Risks Taken

AKCENTA CZ a.s. (hereinafter referred to as the „Company“) is a hybrid institution as defined by Decree No. 7/2018 Coll., on certain conditions for the performance of activities of a payment institution, payment account information administrator, payment account provider, payment services provider, electronic money institution and electronic money issuer of small scale. Thus, it holds a payment institution licence and a securities trader licence (also an investment firm per 256/2004 Coll.) within the meaning of Act No 256/2004 Coll. On the basis of these licences, the company is obliged to manage all risks associated with the business activities in the environment in which the company operates. The Company conscientiously complies with

all applicable regulatory requirements imposed on hybrid institutions based on the relevant legal and regulatory risk management requirements.

The Company regularly compares its risk management system with newly enacted relevant laws of the Czech Republic, new regulations and recommendations issued by the Czech National Bank (CNB) and its parent company Raiffeisenbank. It ensures that the risk management system is up-to-date in order to ensure its improvement in relation to the development of business activities, the state of the legal and economic environment, and the development of information technology and analytical tools.

According to the regulation for payment institutions under Decree 7/2018 Coll., the company uses the C method (approach) for the calculation of the capital requirement per the payment regulation.

The Company calculates capital requirements and capital ratios in accordance with Regulation (EU) 2019/2033 dating from 27 November 2019 on cautionary requirements for investment firms and amending Regulation (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014 (hereinafter referred to as the IFR Regulation), which entered into force on 26 June 2021.

Risks taken by the company

Pursuant to Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 (the Regulation - IFR) on cautionary requirements for investment firms and amending Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014, the Company categorises risks into the following categories: customer risk, market risk and enterprise risk.

Risk to Customer (RTC)

The most significant risk to the customer is the risk incurred by the customer in the event of the company's bankruptcy. In the case of AKCENTA CZ a.s., it concerns composite collateral used to back derivative transactions. This risk is covered by a K-factor, which captures the risk of potential loss. This risk also includes the calculation of an ASA k-factor.

Risk to the market (RTM)

The Company captures net position risk within market risk in accordance with the provisions of EU Regulation 575/2013 governing market risk (currency, interest rates). The Company also determines capital requirements in accordance with this regulation.

Currency risk

The main market risk in the Company's environment is currency risk arising from open positions in foreign currencies. The Company does not trade in instruments that generate equity, commodity or other market risk. The Company, as an investment firm does not acquire instruments with the intention of holding them short-term and then selling them or with the intention of taking advantage of actual or anticipated short-term price differences between the bid and ask prices; or other fluctuations in price or interest rates.

Currency risk is managed as follows:

- a) prudent and efficient management of open foreign exchange positions (ODP); and
- b) setting stop/loss limits; and
- c) setting and controlling internal limits for the maximum amount of open foreign exchange positions.

The following limits and restrictions are set for currency risk:

- a) setting and controlling internal limits for the maximum amount of ODP; and
- b) setting a daily limit on the maximum allowed loss (stop/loss limit).

Interest rate risk

The Company defines interest rate risk as the risk arising from movements in market interest rates. In the course of its business the Company does not take on interest rate risk to a significant degree. This involves solely the risk arising from entering into forward and swap contracts and the resulting interest rate positions.

The Company manages its interest rate position using the present value of basis point value (PVBPV) method, which reflects the sensitivity of the present value of the forward and swap portfolio to a one basis point change in interest rates point (a 'basis point' is equal to 0.01%) in each currency. As an additional method for managing interest rate risk, the Company performs stress testing based on the 'General guidelines for the management of interest rate risk in investment portfolios' from 19 July 2018 as per the EBA. The Company uses 6 interest rate shock scenarios in order to capture parallel and non-parallel risks related to timing differences. These scenarios apply to exposures in each currency separately.

Risk to the company (RTF)

In relation to enterprise risk, the Company accounts for its exposure to counterparty default in accordance with simplified counterparty credit risk provisions under Regulation (EU) No. 575/2013. Within the risk for the firm, the company manages concentration of risk toward specific counterparties and also manages operational risks arising from the Company's daily trading volume.

The main risk for the Company in this category is counterparty risk. The Company incurs counterparty risk from the provision of foreign exchange derivatives. Based on maturity, currency pair volatility and product type, the Company determines the amount (volume) of financial collateral that the client is required to post at the time of the trade. The RM unit monitors credit exposures to individual counterparties several times a day and their market values/revaluations. At the same time, it compares these exposures for individual trades with the current collateral amount (volume). If the ratio between the market value and the collateral reaches 85%, the client is asked to add collateral backing. The capital requirement for trade counterparty default is determined by the Company in accordance with the IFR.

Operational risk

The Company defines operational risk as the risk of losses due to deficiencies or failures in internal processes, the human factor or systems, and the risk of loss due to external events, including risks arising from breaches or failure to comply with regulatory requirements.

The operational risk management process in the Company's context is a set of ongoing activities: in particular, identification, evaluation and monitoring of risks, including controls of (monitoring) the implementation of preventive and other mitigation measures individual types of risks.

In particular, the following processes are used to identify operational risks:

- a) Management and Control System
- b) Risk Catalogue
- c) Operational Incident Database
- d) Internal and External Audit

The Company uses the following methods to mitigate operational risk:

- a) Risk mitigation through process improvements, process changes, implementation of limits and controls, use of technology;
- b) Transfer of risk through outsourcing or insurance;

- c) Systematic process support;
- d) Multiple controls for processes with a quantitatively high impact; and
- e) Back-up plans.

The capital requirement for operational risk is covered by the K-DTF factor calculated based on the daily trading volume.

Liquidity risk

Liquidity risk is defined for a company as the ability of the company to meet its obligations to its clients in a timely and orderly manner with respect to currency conversions and related payment transactions. The Company has established mechanisms that separate client funds from the Company's operating funds. The Company is not exposed to liquidity risk to any significant degree as the majority of the Company's transactions with clients are fully covered by client funds at the time of settlement. The Avízo product represents a minor liquidity risk. Provision of the Avízo product in connection with payment services is subject to the approval of limits per client, depending on the client's creditworthiness, as well as confirmation that the bank has sent funds to cover the payment service for the client. In this case, the Company is assuming short-term liquidity risk. The Company, pursuant to the IFR, recognises a liquidity requirement.

02 Capital Adequacy Ratios [Capital Ratio and Other Ratios]

Under the applicable regulations, the company is required to comply with its informational obligations to the regulator. On a daily, monthly or quarterly basis, it reports information regarding performance, customer assets, qualified holdings (participations), etc.

The company also through regular comparisons of its aggregate amount of capital requirements and its own capital quantifies its capital ratio, which it submits to the regulator on a regular basis. The company's capital ratio indicator is indicative of the adequacy of the capital backing for the company's business activities.

Summary information on the conditions and main characteristics of capital and its components (as of 31 December 2023, in thousands of CZK)

Aggregate amount of original capital (Tier 1 component)	228 364
Basic capital	100 125
Emissions agio	-
Reserve funds, non-distributed funds and other profit funds	-
Undistributed profit/loss from previous periods – audited	215 388
Intangible assets (besides goodwill) reduces Tier 1	78 995
Aggregate amount of supplementary capital (Tier 2 component)	-
Aggregate amount of market risk capital (Tier 3 component)	-
Aggregate amount of deductible items from original and additional paid-in capital	-
Deferred tax liabilities	7 912
AVA – precautionary filters	242
Aggregate amount of capital after taking into account deductible items	228 364

All regulatory capital items are included in the audited financial statements.

Capital ratios [as of 31 Dec. 2023, in thousands of CZK]

Common Equity Tier 1 ratio (CET1)	387%
Tier 1 Capital Ratio (T1)	387%

Capital Ratio	387%
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The Company has met the regulatory capital holding requirements as of 31 December 2023.

Data on capital requirements [as of 31 December 2023, in thousands of CZK]

Operating costs	59 032
Permanent minimum requirement	18 544
Total requirement per the K-Factor	24 273
Risk for customer	382
K-AUM	-
K-CMH	249
K-ASA	133
K-COH	-
Market risk	8 212
K-NPR	8 212
K-CMG	-
Risk for Company	15 679
K-TCD	15 608
K-DTF	71
K-CON	-

OCP ratios [as of 31.12.2023, in percentages]

Indebtedness I (total debt excluding customer assets/assets excluding customer assets)	13.53%
Indebtedness II (total debt excluding customer assets/equity)	21.62%
Return on average assets (ROAA excluding customer assets)	7.67%
Return on original average equity (ROAE)	21.73%
Return on sales (profit after tax/income from investment services)	13.53%
Return on assets (net profit/total balance sheet as of 31 December 2022)	1.57%
Administrative costs per employee (in thousands of CZK)	2 103 CZK

9 The Company as an Employer

We decided, in Akcenta, to focus even more on taking care of our employees in 2023 because we believe that their satisfaction and health are key to the success of the entire company.

Every day, we strive to be more than just a workplace. We work to create a friendly and inclusive environment that offers each employee a sense of safety, security, belonging, recognition, mutual respect and opportunities for self-fulfilment and personal growth. That's why in 2023 we expanded our benefits to include a stipend for learning the English language and corporate events such as Healthy September (healthy breakfasts and exercise together), Movember, a Mental Health Day, a charity run against cancer, a clothes swap and an advent wreath-making workshop.

As in previous years, we continued our cooperation with the TyfloCentrum Hradec Králové, which aids people with visual impairments. This year we supported TyfloCentrum with a financial donation of 40.000 CZK. We began a new cooperative effort with the children's home in Holice, for whose residents our employees fulfilled a total of 28 Christmas wishes. We are convinced that the social impact of our activities is very meaningful and we plan to continue with them.

We thank all our employees for their contributions to our success in 2023 and look forward to another year full of new opportunities and challenges. **#WeAreAkcenta**



10 Statement on Means for Regulating Contributions to the Guarantee Fund for Securities Traders

As part of the provision of investment services, AKCENTA CZ a.s. („AKCENTA CZ“) solely offers its customers trading services with currency forwards, swaps and options. When concluding these contracts, AKCENTA acts as the customer's counterparty. We consider that the customer's assets, within the meaning of Section 128 paragraph 12 of the Act No. 256/2004 Coll., on Capital Market Business Operations – the Capital Markets Act, as amended („CMA“) to be funds deposited as collateral to cover market risks („collateral“) and the principal for the forward paid by the customer to the relevant bank account during the settlement of the forward. AKCENTA CZ does not collect any fees or commissions from customers in connection with the conclusion of forward trades.

The revenue that AKCENTA CZ realises in connection with the conclusion of forward contracts (trades) for customers derives from the amount of the spread between the exchange rate agreed with the customer within the forward contract and the exchange rate that AKCENTA CZ manages to obtain on the interbank market within the framework of trades concluded by positions opened when negotiating forwards with customers.

Pursuant to Section 129(1) of the CMA, a securities dealer is obliged to pay to the Guarantee Fund an annual contribution in the amount of 2% of the volume of fee and commission income from investment services provided for the last calendar year. In light of the aforementioned fact that AKCENTA CZ does not collect any fees or commissions from customers for investment services provided and does not record any fees and services for the investment services provided in its accounting records, the basis for determining the amount of the contribution pursuant to Section 129(1) is zero. AKCENTA CZ thus pays an annual contribution for the amount of 10,000 CZK pursuant to Section 129(2) of the CMA.

Due to the nature of forwards as derivative transactions, the amounts of funds deposited by customers as collateral into their (the customer's) bank account are very small. Plus, the time for which funds are deposited into the account for settling forwards is also minimal. For these reasons, we consider that the risk of default of a particular trader in terms of § Section 130 of the CMA and the impossibility of releasing customer assets to be relatively very small – especially compared to securities trading or portfolio management. For this reason, the amount of the contribution to the Guarantee Fund is set at the minimum permissible amount pursuant to Section 129(2) of the CMA and corresponds to the low risk of any future impossibility of release of customer assets within the meaning of Section 130 of the CMA.

AKCENTA CZ duly pays contributions to the Securities Traders Guarantee Fund pursuant to Section 129(2) of the Act 256/2004 Coll.

11 Report on Relationships

Between Controlling and Controlled Entities and on Relationships Between the Controlled Entity and Other Entities Controlled by the Same Controlling Entity for the 2023 Fiscal Year

1 Report on Relationships

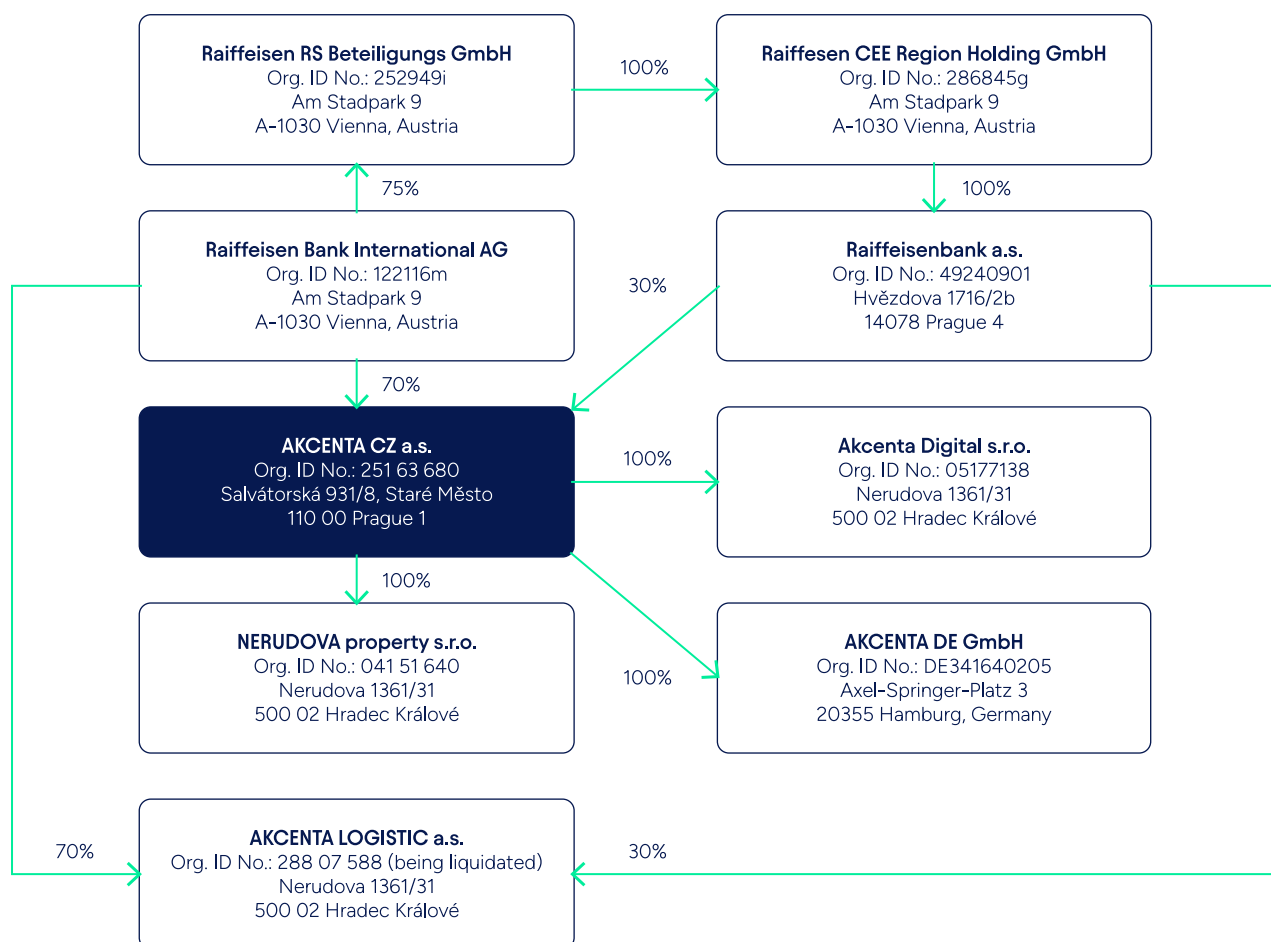
AKCENTA CZ a.s., with registered office at Salvátorská 931/8, Staré Město, 110 00 Prague 1, ID No. 25163680, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Entry 9662 (hereinafter referred to as the „Processor“), is part of the business

group in which the following relationships exist between the Processor and the controlling person, and between the Processor and persons controlled by the same controlling person (hereinafter referred to as „related persons“).

This report on the relationships between the following persons has been prepared for the financial year 2023 in accordance with the provisions of § Section 82 of Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (hereinafter referred to as the „Act“), in its version valid for the said accounting period.

The following contracts were concluded between the Processor and the persons mentioned below during the fiscal year. The following legal acts and other de facto actions referred to in this report have been undertaken or performed.

1-1 Structure of Relationships Between Persons Under Section 82(2)(a) to (c) of the Act



1-1-1 Controlling Persons and Structure of the Arrangement

Raiffeisen Bank International AG

with registered headquarters at Am Stadtpark 9, Vienna, Austria

70 % share in AKCENTA CZ a.s. („RBI“)

Raiffeisenbank a.s.

with registered headquarters at Hvězdova 1716/2b, Prague, Czech Republic

30 % share in AKCENTA CZ a.s. (hereinafter referred to as „RB“)

The above-mentioned persons act in concert pursuant to Section 78 of the Act.

1-1-2 Role of the Controlled Person, Manner and Means of Control

The role of the Processor as a non-bank payment institution and securities dealer is to complement the portfolio of services offered by Raiffeisen Financial Group within the scope of the Processor's operations. The method of control is the existence of an equity or ownership interest in the controlled person. The controlling persons control the Processor by voting at the general shareholders meeting in accordance with the Processor's articles of association.

1-1-3 Other Related Persons

NERUDOVA property s. r. o., Org. ID No.: 041 51 640, headquartered at Gočárova třída 227/50, Pražské Předměstí, 500 02 Hradec Králové (hereafter „NP“).

AKCENTA LOGISTIC a. s., being liquidated, Org. ID No.: 288 07 588, headquartered at Nerudova 1361/31, Pražské Předměstí, 500 02 Hradec Králové (hereafter „AL“).

AKCENTA DIGITAL s.r.o., Org. ID No.: 05177138, headquartered at Nerudova 1361/31, Pražské Předměstí, 500 02 Hradec Králové (hereafter „AD“). Operated as True Finance s.r.o („TF“) until 21 June 2022.

AKCENTA DE GmbH, Org ID No.: DE341640205, headquartered at Axel-Pringer-Platz 3 c/o WeWork, 20355 Hamburg, Germany (hereafter „AKC DE“).

The share amount for the controlling person, Raiffeisen Bank International AG, in the companies listed was as follows as of 31 December 2023: NP - 92.5 % (indirect holding), AL - 92.5 %, AD - 92.5 % (indirect holding), AKC DE - 92.5 % (indirect holding).

1-1-4 Other Subjects

RAIFFEISEN – LEASING, s.r.o., Org. ID No.: 61467863, headquartered at Hvězdova 1716/2b, 140 00 Prague 4 (hereafter „RBL“).

RAIFFEISEN BANK Zrt., Org ID No.: 01-10-041042, headquartered at Váci ut.116-118, 1133 Budapest, Hungary (hereafter „RBHU“)

RAIFFEISEN BANK S. A., Sky Tower Building, 246C Calea Floreasca, Sector 1, Bucharest, Romania,(hereafter „RBRO“).

RAIFFEISEN INFORMATIK GmbH & Co KG, ID: FN 52167 m, Lilienbrunnngasse 7-9, 1020 Vienna, Austria, (hereafter „RBIN“).

Tatra Banka, a. s., Org. ID No.: 00 686 930, Hodžovo námestie 3, 811 06, Bratislava, Slovakia (hereafter „TB“).

1-2 List of Contracts Referred to in Article 82(2)(e) of the Act

Party	Contract	Date concluded
AKCENTA CZ X NP	Rental agreement per terms in Addendum No. 2	30 Sept. 2015
AKCENTA CZ X NP	Loan agreement per terms in amendment No. 1	8 July 2015
AKCENTA CZ X AD	Loan agreement per terms in amendment No. 1	5 May 2022
AKCENTA CZ X AD	Outsourcing agreement for services	1 Jan. 2022
AKCENTA CZ X AD	Agreement on processing personal data and agreement on data sharing (hand-over)	8 Sept. 2020
AKCENTA CZ X AD	Rental agreement (zalep. to)	1 June 2020

AKCENTA CZ X AD	Car rental agreement for Škoda Karoq	3 June 2022
AKCENTA CZ X RB	Framework Treasury agreement	13 Feb. 2008
AKCENTA CZ X RB	Agreement on use of online (electronic) banking services	9 Oct. 2019
AKCENTA CZ X RB	Agreement on provision of the X-business online banking service	22 Mar. 2019 to 31 Mar. 2023
AKCENTA CZ X RB		
	Framework agreement for trading on financial markets per the terms in Addendum No. CMA/0001/APR405/01/25163680	17 Sept. 2019
AKCENTA CZ X RB	Agreement on commercial cooperation	13 Sept. 2022
AKCENTA CZ X RB	Agreement on commercial representation	14 Dec. 2022
AKCENTA CZ X RB	Agreement on setting up and running an account per Addendum No. 1 (5170013798/5500 EUR)	22 Mar. 2019
AKCENTA CZ X RB	Agreement on setting up and running an account per Addendum No. 1 (5170013763/5500 CZK)	21 Mar. 2019
AKCENTA CZ X RB	Agreement on setting up and running an account per Addendum No. 1 (5170013771/5500 CZK)	22 Mar. 2019
AKCENTA CZ X RB	Agreement on setting up and running an account per Addendum No. 1 (5170013800/5500 EUR)	21 Mar. 2019
AKCENTA CZ X RB	Agreement on setting up and running account in GBP, CHF, PLN, HUF, CAD, SEK, NOK, DKK, RON	27 Sept. 2019
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the accounts GBP, CHF, PLN, HUF, CAD, SEK, NOK, DKK, RON	27 Sept. 2019
AKCENTA CZ X RB	Agreement on setting up and running accounts in TRY, RUB, JPY, AUD	1 Oct. 2019
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on accounts in TRY, RUB, JPY, AUD	25 Sept. 2019
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (5170013798/5500 EUR)	21 Mar. 2019
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (5170013800/5500 EUR)	21 Mar. 2019
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (5170013771/5500 CZK)	22 Mar. 2019
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (5170013763/5500 CZK)	21 Mar. 2019
AKCENTA CZ X RB	Agreement on provision of banking and other services (5170014918/5500 BGN)	7 Sept. 2019
AKCENTA CZ X RB	Agreement on provision of banking and other services (5170014926/5500 BGN)	7 Sept. 2019
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (136101361/5500)	27 May 2022
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (12301337/5500)	11 Jan. 2022
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (12301257/5500)	11 Jan. 2022
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (12301265/5500)	11 Jan. 2022
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (12301273/5500)	11 Jan. 2022
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (12312310/5500)	11 Jan. 2022

AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (12301281/5500)	11 Jan. 2022
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (12301302/5500)	11 Jan. 2022
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account (12301329/5500)	11 Jan. 2022
AKCENTA CZ X RB	Agreement on provision of banking and other services (12301310/5500 HUF) per terms in Addendum No. 1	11 Jan. 2022
AKCENTA CZ X RB	Agreement on provision of banking and other services (12301302/5500 PLN) per Addendum no. 1	11 Jan. 2022
AKCENTA CZ X RB	Agreement on provision of banking and other services (12301281/5500 CHF) per Addendum no. 1	11 Jan. 2022
AKCENTA CZ X RB	Agreement on provision of banking and other services (12301273/5500 GBP) per Addendum no. 1	11 Jan. 2022
AKCENTA CZ X RB	Agreement on provision of banking and other services (12301329/5500 RON) per Addendum no. 1	11 Jan. 2022
AKCENTA CZ X RB	Agreement on provision of banking and other services (12301257/5500 CZK) per Addendum no. 1	11 Jan. 2022
AKCENTA CZ X RB	Agreement on provision of banking and other services (12301265/5500 EUR) per Addendum no. 1	11 Jan. 2022
AKCENTA CZ X RB	Agreement on provision of banking and other services (12301337/5500 AUD) per Addendum no. 1	11 Jan. 2022
AKCENTA CZ X RB	Agreement on setting up and managing an account (136101361/5500 USD) per Addendum no. 1	27 May 2022
AKCENTA CZ X RB	Agreement on setting up and running an account (137101371/5500 USD) per Addendum no. 1	27 May 2022
AKCENTA CZ X RB	Agreement for terms for interest payments for account 5170013771/5500 EUR	14 Aug. 2023
AKCENTA CZ X RB	Agreement for terms for interest payments for account 0136101361/5500 SEK	14 Aug. 2023
AKCENTA CZ X RB	Agreement for provision of banking and other services 12301388/5500 per Addendum no. 1	14 Aug. 2023
AKCENTA CZ X RB	Agreement for provision of banking and other services 12301361/5500 SEK per Addendum no. 1	14 Aug. 2023
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account 12301388/5500 CAD	14 Aug. 2023
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account 12301361/5500 SEK	14 Aug. 2023
AKCENTA CZ X RB	Agreement no. CDR44215 on mutual activities	22 June 2023
AKCENTA CZ X RB	Agreement to set up direct banking services	24 Jan. 2023
AKCENTA CZ X RB	Framework agreement for credit/lending products, reg. no. 25163680/2023/1	19 Oct. 2023
AKCENTA CZ X RB	Agreement on preferential interest rates for balances on the account 123012378/5500 CZK	1 Feb. 2023
AKCENTA CZ X RB	Agreement on provision of banking and other services per Addendum No. 1 123012378/5500 CZK)	1 Feb. 2023
AKCENTA CZ X RB	Agreement on provision of banking and other services per Addendum No. 1 (123012386/5500 EUR)	1 Feb. 2023
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account 123012378/5500	1 Feb. 2023
AKCENTA CZ X RB	Agreement on sharing data about the true owners of funds on the account 123012386/5500	1 Feb. 2023

AKCENTA CZ X RB	Agreement on preferential interest rates for balances on account 0136101361/5500 USD	27 June 2023
AKCENTA CZ X RB	Service Level Agreement for Cloud Enablement Service	22 Aug. 2023
AKCENTA CZ X RB	Framework agreement No. CDR44524 on provision of services	30 June 2023
AKCENTA CZ X RB	Agreement No. CDR44215 on mutual activities	22 June 2023
AKCENTA CZ X RB	Framework agreement on data protection and transfer (sharing)	30 June 2023
AKCENTA CZ X RBI	CMI@WEB CUSTOMER AGREEMENT	21 Sept. 2021
AKCENTA CZ X RBI	FAST@WEB CUSTOMER AGREEMENT	10 Oct. 2022
AKCENTA CZ X RBI	Agreement on commercial representation	14 Dec. 2022
AKCENTA CZ X RBI	Agreement on the collection of payments by debiting via SEPA DIRECT DEBIT B2B (=final SEPA DIRECT DEBIT)	8 Nov. 2022
AKCENTA CZ X RBI	Agreement on the collection of payments by debiting via SEPA DIRECT DEBIT B2B (=final SEPA DIRECT DEBIT)	17 Jan. 2023
AKCENTA CZ X RBI	FRAMEWORK AGREEMENT	1 Feb. 2023
AKCENTA CZ X RBI	Security Service Usage Agreement	9 Nov. 2023
AKCENTA CZ X RBI	SERVICE LEVEL AGREEMENT	7 July 2023
AKCENTA CZ X RBI	AGREEMENT ON ORDER PROCESSING IN ACCORDANCE WITH ARTICLE 28 GDPR	15 Oct. 2021
AKCENTA CZ X RBI	Work Order	27 Sept. 2022
AKCENTA CZ X RBHU	Payment Account Agreement (HUF, EUR)	13 Aug. 2021
AKCENTA CZ X RBHU	Payment Account Contract – Supplement (HUF, EUR)	13 Aug. 2021
AKCENTA CZ X RBHU	Payment account contract – Supplemental Agreement on opening and managing deposit SUB-ACCOUNTS (EUR, HUF, USD)	22 Feb. 2022
AKCENTA CZ X RBHU	Addendum to Payment Account Agreement (USD)	22 Feb. 2022
AKCENTA CZ X RBHU	Agreement on the Provision of Raiffeisen Electra Services	13 Aug. 2021
AKCENTA CZ X RBRO	Raiffeisen Online PLUS Agreement for the performance of banking operations through the Raiffeisen Online Plus Service	25 Aug. 2021
AKCENTA CZ X RBIN	FRAMEWORK SERVICE AGREEMENT In the field of Information Technology	7 July 2023
AKCENTA CZ X RBIN	AGREEMENT ON DATA PROCESSING IN ACCORDANCE WITH ARTICLE 28 GDPR	7 July 2023
AKCENTA CZ X TB	Agreement on revising fees that vary from the Tatra banka, a.s. fee list	11 Oct. 2021
AKCENTA CZ X TB	Current account agreement (EUR)	2 Nov. 2020
AKCENTA CZ X TB	Current account agreement (GBP)	2 Nov. 2020
AKCENTA CZ X TB	Current account agreement (HUF)	2 Nov. 2020
AKCENTA CZ X TB	Current account agreement (CZK)	27 May 2021
AKCENTA CZ X TB	Current account agreement (CHF)	8 July 2021
AKCENTA CZ X TB	Current account agreement (USD)	13 May 2022
AKCENTA CZ X TB	Agreement on provision of services via the online banking system Business Banking	2 Nov. 2020
AKCENTA CZ X TB	Agreement on assignment and terms of use for ID, authentication, and authorisation tools	29 June 2022
AKCENTA CZ X RBL	Agreement for exclusive commercial representation per terms of Addendum No. 1	23 Nov. 2021

AKCENTA CZ X RBL	Leasing agreement for vehicle - ŠKODA Octavia, Contract No. 5019007178	15 Dec. 2022
AKCENTA CZ X RBL	Leasing agreement for vehicle - VOLKSWAGEN Passat, Contract No. 5019007177	15 Dec. 2022
AKCENTA CZ X RBL	Leasing agreement for vehicle - ŠKODA Karoq, Contract No. 5019006573	19 May 2022
AKCENTA CZ X RBL	Leasing agreement for vehicle - BMW Coupe, Contract No. 5019007106	15 Dec. 2022
AKCENTA CZ X RBL	Leasing agreement for vehicle - ŠKODA Kodiaq, Contract No. 5019007905	2 Nov. 2023
AKCENTA CZ X RBL	Leasing agreement for vehicle - ŠKODA Kodiaq, Contract No. 5019007591	8 June 2023
AKCENTA CZ X RBL	Leasing agreement for vehicle - ŠKODA Superb Combi, Contract No. 5019007590	8 June 2023
AKCENTA CZ X RBL	Leasing agreement for vehicle - MERCEDEZ-BENZ, Contract No. 5019006743	5 May 2023

1-3 Summary of Actions Taken in the Past Fiscal Year for the Benefit of the Controlling Person Pursuant to Section 82(2)(d) of the Act

No such actions have been recorded.

1-4 Advantages and Disadvantages Arising from Relationships Between Controlling and Controlled Persons Referred to in Chapter 1.1

With regard to the legal relationships between the Processor and related parties that we have reviewed, it is clear that, as a result of contracts, other legal acts or other measures concluded, made or taken by the Processor during the 2023 fiscal year on behalf of, or at the instigation of, individual connected persons, no detriment has been incurred by the Processor.

1-5 Final Declaration of the Board of Directors

Statement: AKCENTA CZ a.s. declares that it has prepared this report according to the information available at the date of the report's submission and that it has acted with due care in the preparation of this report.

In Hradec Králové on 31 March 2024

Jacek Jurczynski
Chairman of the BoD



Daniel Johanis
Member of the BoD



12 Supervisory Board Report

Composition of the Supervisory Board

During the year 2023, the Supervisory Board met with the following composition or structure: Jacek Jurczynski - Chairman of the Supervisory Board, Tomas Jelinek - Vice-Chairman of the Supervisory Board, and other members of the Supervisory Board - Elisabeth Geyer-Schall, Ryan González, Albert Mühlbacher and Michael Wittenburg. Michael Wittenburg was a member until 20 February 2023 and Albert Mühlbacher a member from 28 March 2023.

Supervisory Board Activities

The Board of Directors regularly informed the Supervisory Board of the company's economic (financial) performance. It reviewed and audited information related to the setting of the financial and strategic plan and monitored its implementation, including the indicators set applicable legal norms and regulations. It also focused on the review of the management and controls system; in particular, through the findings of the internal audit, as well as the company's remuneration (bonus) system. Other checks or audits focused on compliance with Board resolutions, compliance with internal regulations and reviews of key indicators' compliance with the established laws (legal standards) based on documents from the Compliance and Legal Support Department.

Identified Deficiencies and Their Rectification

The Board of Directors has not identified any facts that are in breach of the Company's approved internal regulations or applicable legislative or legal standards.

Financial Statements, Economic Operations, and Proposed Distribution of Profits

The Board of Directors has reviewed the financial statements for 2023 fiscal year and acquainted itself with the draft Auditor's Report and the opinion of Deloitte Audit s.r.o. on the financial statements. On the basis of these documents, the Supervisory Board notes that has no objections to the financial statements presented. The Supervisory Board recommends the AKCENTA CZ a.s. General Meeting (shareholders meeting) approve AKCENTA CZ's standard annual financial statements of for the 2023 fiscal year.

In Prague, 29 April 2024

Tomáš Jelínek
Vice-chairman of the Supervisory Board



13 Miscellaneous

AKCENTA CZ a.s.'s activities do not have any impact on the environment. The company does not create or undertake any activities in the areas of environmental issues or research and development. The company complies with the environmental regulations 2019/2088 and 2020/852.

The company did not acquire any of its own shares in 2023. The Company did not have a branch office or other part of a commercial establishment abroad in 2023. As part of our strategy, we comply with the obligations imposed by legislation. In its labour-work relations, the company complies with all legal norms in accordance with the Czech Republic's legal statutes.

14 Independent Auditor's Report for AKCENTA CZ a.s. Shareholders

Auditor's opinion

We have audited the accompanying financial statements of AKCENTA CZ a.s. (the "Company") prepared in accordance with Czech accounting regulations, which comprise the balance sheet as at 31 December 2023, the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including significant (material) disclosures about accounting policies used.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AKCENTA CZ a.s. as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting regulations.

Basis for the statement

We conducted our audit in accordance with the Act on Auditors and the standards of the Chamber of Auditors of the Czech Republic for auditing, which are the International Standards on Auditing (ISA), supplemented and modified by related application documents, where appropriate. Our responsibilities under these regulations are described in more detail in the section Auditor's Responsibilities for the Audit of the Financial Statements. In accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, we are independent of the Company and have fulfilled our other ethical obligations under these regulations. We believe that the evidence we have gathered provides a sufficient and appropriate basis for our opinion.

Other information in the annual report

Other information is considered to be information presented in the annual report other than the financial statements and our auditor's report. Other information is the responsibility of the Board of Directors.

Our opinion on the financial statements does not relate to the other information, nor do we express any special opinion on it. However, part of our responsibility in connection with the audit of the financial statements is to read the other information and consider whether the other information presented in the annual report is materially inconsistent with the financial statements or our knowledge of the entity obtained in the course of the audit, whether the annual report is prepared in accordance with legal requirements, or whether the information is otherwise materially misstated. If, as a result of our work, we determine that this is not the case, we are required to state our findings in our report.

We found no such thing in the other information we received under the above procedures.

Responsibility of the Management Board and the Supervisory Board for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with Czech accounting regulations and for such internal control as it deems necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors of the company is required to assess the company's ability to continue as a going concern and, if applicable, to describe in the notes to the financial statements the matters relating to its going concern and the application of the going concern assumption in preparing the financial statements, except where the board of directors plans to dissolve the company or to wind up its operations or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Auditor's responsibility for the audit of financial statements

Our objective is to obtain reasonable assurance about whether the financial statements taken 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 degree of assurance, but it is not assurance that an audit performed in

accordance with the above provisions in all cases, disclose any material misstatement that may exist in the financial statements. Misstatements may 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 that users of the financial statements make on the basis of the financial statements.

When conducting an audit in accordance with the above regulations, it is our responsibility to exercise sound judgment and maintain professional skepticism throughout the audit. It is further our responsibility to:

- Identify and evaluate the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures to address those risks, and obtain sufficient appropriate evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting a material misstatement due to error because fraud may involve collusion, forgery, deliberate omissions, misstatements or circumvention of internal controls.
- Familiarize ourselves with the company's internal control system relevant to the audit to the extent necessary to enable us 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 system.
- To assess the appropriateness of the accounting policies used, the reasonableness of the accounting estimates made and the information provided by the Board of Directors in this regard in the notes to the financial statements.
- Assess the appropriateness of the board of directors' use of the going concern basis in preparing the financial statements and whether, in light of the evidence gathered, there is a material uncertainty arising from events or conditions that may cast significant doubt about the company's ability to continue as a going concern. If we conclude that such a material uncertainty exists, it is our responsibility to draw attention in our report to the information provided in the notes to the financial statements in this regard and, if that information is not sufficient, to express a modified opinion. Our conclusions regarding the Company's ability to continue as a going concern are based on the evidential information we have obtained up to the date of our report. However, future events or conditions may cause the Company to lose its ability to continue as a going concern.
- Evaluate the overall presentation, disaggregation and content of the financial statements, including the notes, and whether the financial statements present the underlying transactions and events in a manner that results in a fair presentation.

It is our responsibility to inform the Management Board and the Supervisory Board, among other things, of the planned scope and timing of the audit and of the significant findings we have made during the audit, including the material weaknesses identified in the internal control system.

Prague, 29 April 2024

Auditing company:

Deloitte Audit s.r.o.
registration number 079

Statutory auditor:

David Batal
registration number 2147

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15 Financial Statement for the Year Ending 31 December 2023

Commercial entity: AKCENTA CZ a.s.
Headquarters: Salvátorská 931/8
Org. ID Number: 25163680
Subject of business: obchodník s cennými papíry
Date of compilation of financial statement: 31. března 2024

Financial Statement as of 31 Dec. 2023

Assets

Thousands of CZK	Item	31 Dec. 2023	31 Dec. 2022
1	Cash in hand and balances with central banks	52	27
3	Receivables for banks and credit unions	3 045 719	3 565 047
	<i>of this: a) payable on demand</i>	1 819 773	2 215 862
	<i>b) other liabilities</i>	1 225 946	1 349 185
4	Receivables for non-bank subjects	14 079	15 123
	<i>b) other liabilities</i>	14 079	15 123
8	Ownership interests with controlling influence	15 560	15 560
9	Long-term intangible assets	78 995	24 437
10	Long-term tangible assets	33 563	24 470
	<i>of this: land and buildings for operational activities</i>	18 282	15 530
11	Other assets	147 020	207 812
13	Expenditures and earnings for upcoming period	4 146	2 590
Total Assets		3 339 134	3 855 066

Liabilities

Thousands of CZK	Item	31 Dec. 2023	31 Dec. 2022
1	Liabilities toward banks and credit unions	19	1
	<i>of this: a) payable on demand</i>	19	1
2	Liabilities toward non-bank subjects	2 750 771	3 157 643
	<i>of this: a) payable on demand</i>	2 750 771	3 157 643
4	Other liabilities	190 096	358 425

5	Revenues and expenditures for the upcoming period		205	59
6	Reserves	21	29 840	23 425
	<i>b) for taxes</i>		-	-
	<i>c) other</i>		29 840	23 425
	Total Foreign Sources		2 970 931	3 539 553
8	Share capital	20	100 125	100 125
	<i>of this: a) paid (deposited) share capital</i>		100 125	100 125
	<i>c) from recalculation of foreign currency-based financial instruments</i>		-	-
14	Non-distributed profit or unpaid losses from the prior period	22	215 388	143 351
15	Profit or loss for the accounting period	23	52 690	72 037
	Total Ownership Capital		368 203	315 513
	Total Liabilities		3 339 134	3 855 066

Off-Balance Sheet Items

Thousands of CZK	Item	31 Dec. 2023	31 Dec. 2022
Off-balance sheet assets			
2	Collateral provided	-	-
3	Liabilities from spot operations	781 586	1 081 961
4	Liabilities from fixed term operations	4 875 416	6 574 047
5	Liabilities from options	5 174 434	1 496 743
6	Liabilities write-offs	-	-
Off-balance sheet liabilities			
9	Accepted pledges and guarantees	173 075	-
11	Liabilities from spot operations	780 873	1 081 940
12	Liabilities from fixed term operations	4 850 024	6 540 704
13	Liabilities from options	5 174 434	1 496 113

Profit-Loss Statement for the year ending 31 December 2023

Thousands of CZK	Item	31 Dec. 2023	31 Dec. 2022
1	Interest earnings and similar revenues	25 407	729
2	Interest costs and similar costs	(8 520)	(4 549)
4	Earnings from fees and commissions	27 878	22 689
5	Costs for fees and commissions	(28 736)	(26 599)
6	Profit or loss from financial operations	347 952	411 103

7	Other operating revenues	8	1 651	1 953
8	Other operating costs	8	(1 723)	(27 168)
9	Administrative costs	9	(279 688)	(283 463)
	of this: a) cost per employee		(150 365)	(132 448)
	of this: aa) wages and salaries		(113 081)	(100 128)
	ab) social security and health insurance		(37 284)	(32 320)
	b) other administrative costs		(129 323)	(151 015)
11	Write-offs, creation and usage of reserves, and adjustment charges for long-term tangible and intangible assets	15, 16	(11 315)	(6 774)
13	Write-offs, creation and usage of adjustment charges for obligations and guarantees	21	(439)	(57)
16	Dissolution of other reserves	21	-	2 618
17	Creation and usage of other reserves	21	(6 415)	(112)
18	Share of profits or losses for participations with controlling or deciding influence		-	-
19	Profit or loss from regular activities for the accounting period pre-tax		66 052	90 370
23	Income tax	24	(13 362)	(18 333)
24	Profit or loss for the accounting period after-tax		52 690	72 037

Overview of Changes in Ownership Capital for the year ending 31 December 2023

Thousands of CZK	Basic Capital	Share Capital	Emission Agio	Reserve Funds	Capital Funds	Appraised Differences	Profit (loss)	Total
Balance as of 1 Jan. 2022	100 125	-	-	-	-	-	143 351	243 476
Correction of fundamental errors	-	-	-	-	-	-	-	-
Net profit/loss for account. period	-	-	-	-	-	-	72 037	72 037
Share of profit	-	-	-	-	-	-	-	-
Balance as of 31 Dec. 2022	100 125	-	-	-	-	-	215 388	315 513
Balance as of 1 Jan. 2023	100 125	-	-	-	-	-	215 388	315 513
Correction of fundamental errors	-	-	-	-	-	-	-	-
Net profit/loss for account. period	-	-	-	-	-	-	52 690	52 690
Share of profit	-	-	-	-	-	-	-	-

Balance as of 1 Dec. 2023	100 125	-	-	-	-	-	268 078	368 203
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Cashflow Overview

for the year ending 31 December 2023

Thousands of CZK	2023	2022
Cashflow from operating activities		
Pre-tax profit or loss for the accounting period from regular and extraordinary activities	66 052	90 370
Adjusted for non-cash operations:		
Write-offs and change of status for adjustment charges for long-term tangible and intangible assets	11 315	6 734
Change to state of reserves	6 415	(2 506)
Change to state of adjustment charges for liabilities and debt write-offs	439	57
Change to state of other adjustment charges	-	-
Net interest earnings	(16 887)	3 820
Net profit/loss from sale of financial assets appraised at fair value	-	-
Net profit/loss from sale of asset ownership shares	-	-
Net profit/loss from sale of long-term tangible and intangible assets	-	40
Eventual adjustments due to other non-monetary (cash) operations	(9 397)	(1 474)
	57 937	97 041
Changes in:		
Collateral for spot and derivative trades	98 537	(141 331)
Other liabilities for banks	(24 722)	
Liabilities for non-bank subjects	1 044	(1 205)
Other assets, costs and income from the upcoming period	59 236	3 298
Liabilities to banks and credit unions	18	(365)
Liabilities to non-bank subjects	(406 872)	944 411
Other liabilities, earnings and expenditures for the upcoming period	(168 183)	111 024
	(383 005)	1 012 873
Accrued interest	25 407	729
Receivables – profit shares	-	-
Interest paid out	(8 520)	(4 549)
Paid income tax	(20 381)	(6 633)
Net cashflow related to operating activities	(386 499)	1 002 420

Cashflow from investment activities		
Expenditure from acquisition of securities carried out and held past maturity	-	-
Income from sale of securities carried out and held until maturity	-	-
Expenditure related to sale of ownership shares	-	-
Income from sale of ownership shares	-	-
Expenditure related to acquisition of long-term tangible and intangible assets	(58 988)	(17 235)
Income from sale of long-term tangible and intangible assets	-	4
Net cashflow related to investment activities	(58 988)	(17 231)
Cashflow from financial activities		
Income from emission debt securities	-	-
Expenditure related to pay out of debt securities	-	-
Income from emission of subprime obligations	-	-
Expenditure related to pay off of subprime obligations	-	-
Profit shares paid out	-	-
Payment for leasing obligations – collateral	-	-
Net cashflow related to financial activities	-	-
Net increase or decrease of cash stocks and monetary equivalents	(445 487)	985 189
State of cash stocks and monetary equivalents as of 1 January	3 368 498	2 383 309
State of cash stocks and monetary equivalents as of 31 December	2 923 011	3 368 498
Cash stocks and monetary equivalents include		
Cash on hand and central bank deposits	52	27
Liabilities for (to) banks and credit unions payable on demand	2 922 959	3 368 471
State of cash stocks and monetary equivalents as of 31 December	2 923 011	3 368 498

16 Appendix to the Financial Statement for the Year Ending 31 December 2023

01 General Information

a) Company Characteristics

AKCENTA CZ a.s. (hereafter „Company” or „Accounting Unit”) was set up on 16 June 1997.

Company Name and Headquarters

Company Name	AKCENTA CZ a.s.
Headquarters	Salvátorská 931/8 110 00 Prague 1 – Staré Město Czech Republic
Org. ID No.	251 63680
Tax ID No.	CZ 251 63680

Information about the Consolidation Accounting Units

Commercial name of the main parent company: Raiffeisen Bank International AG, Vienna, Austria

Commercial name of the main parent company compiling the consolidated accounting (financial) statement: Raiffeisen Bank International AG, Vienna, Austria

RBI Group represents the parent company Raiffeisen Bank International and its subsidiaries and affiliates, which it owns directly or indirectly through its subsidiaries. Raiffeisen Bank International AG prepares consolidated financial statements.

The consolidated financial statements of Raiffeisen Bank International AG (hereinafter referred to as the „RBI Group”) are filed with the Handelsgericht Wien registration court, Marxergasse 1a, 1030 Vienna, Austria. Shares of Raiffeisen Bank International AG are listed on the Vienna Stock Exchange.

Board and Supervisory Board Members as of 31 December 2023

Executive Board Members	Supervisory Board Members
Milan Cerman (chairman) Bc. Daniel Johanis, MBA (vice-chairman) Jan Karger	Jacek Jurcynski (chairman) Ing. Tomáš Jelínek (vice-chairman) Elisabeth Geyer-Schall Ryan González Albert Mühlbacher

Changes in the Commercial Register

On 28 Feb. 2023, Mr. Michael Wittenburger's membership in the Company's supervisory board expired.

This changed was recorded in the commercial registry on 18 July 2023.

On 28 Mar. 2023, Mr. Albert Mühlbacher was appointed as a member of the Company's supervisory board.

This changed was recorded in the commercial registry on 21 Aug. 2023.

Subject of Business:

The Company is authorized as part of its business activities based on its entry in the Commercial Registry to provide the following services:

a) Manufacture, trade and services not shown in Appendices 1-3 in the Trade Concessions Act.

The Company is listed in the registry run by the Czech National Bank in these sectors:

- payment institutions and subsidiaries of foreign payment institutions,
- securities traders and subsidiaries of foreign securities traders.

Based on a decision by the Czech National Bank (CNB) on the issue of a permit for Payment Institution activities dating from 22 February 2011 and a permit for Securities Trading Activities dating from 15 July 2011, the Company is authorized to provide the following services:

- payment services according to the Act No. 370/2017 Coll.:
 - cash deposits on a payment account run by the company per § 3, par. 1, item a) of the aforementioned Act,
 - cash withdrawals from a payment account run by the company per § 3, par. 1, item b) of the aforementioned Act,
 - carrying out transfers of monetary/cash funds per § 3, par. 1, item c) of the aforementioned Act,
 - carrying out transfers of monetary/cash funds from a payment account per § 3, par. 1, item d) of the aforementioned Act for providing transfer of monetary funds as a loan,
 - issue and management of payment resources (funds) and devices for acceptance of payment resources (funds) per § 3, par. 1, item e) of the aforementioned Act,
 - carrying out transfers of monetary/cash funds per § 3, par. 1, item f) of the aforementioned Act,
 - services for indirect submission of payment orders per item g), h); service for informing about payment accounts per item h),
- securities trading activities according to the Act No. 256/2004 Coll. in the scope of main investment services, e.g.:
 - accepting and passing on orders relating to investment instruments,
 - carrying out orders related to investment instruments on the customer's account,
 - trading with investment instruments on the company's own account,
 - additional investment services: custody and management of investment instruments including related services, all in relation to investment instruments according to § 3, par. 1, item d) of the aforementioned Act.

The Company carries out these activities in countries throughout Central Europe: in Germany, Hungary, Poland, Romania, and Slovakia.

Organizational Structure [as of 31 December 2023]



b) Basis for Preparing the Financial Statement

The financial statement was prepared based on accounting done in compliance with

- the Act No. 563/1991 on Accounting, in its most recent versions,
- the Decree No. 501/2001 issued by the Czech Finance Ministry in its version that went into effect on 1 January 2018,
- Czech accounting standards for financial institutions issued by the Czech Finance Ministry.

This financial statement has been prepared in compliance with Decree No. 501/2002 in its version that went into

effect on 1 January 2018. The latter establishes the structure and labelling of items in financial statements and the definition of content for items (headings) in the financial statement.

At the same time, in its § 4a, par. 1, this decree states that an accounting unit, for the purposes of reporting financial instruments, their appraisal and for listing information thereon in an appendix to a financial statement, must proceed according to international accounting standards as provided for directly in applicable EU regulations on the usage of international accounting standards (hereafter „international accounting standard“ or „IFRS“).

The financial statement has been processed based on principles for time distinction of costs and revenues and historic prices with the exception of select financial instruments appraised at their fair value.

The financial statement derives from the assumption that the accounting unit will continue its activities uninterrupted and that no event will occur that would limit it in doing so; or prevent it from continuing said activities in the foreseeable future.

The closing date for the financial statement was 31 December 2023. The standard fiscal year runs from 1 January 2023 to 31 December 2023. The prior fiscal year ran from 1 January 2022 to 31 December 2022.

All information shown is listed in thousands of Czech crowns (thousands of CZK), provided it is not stated otherwise. Numbers shown in parentheses represent negative values.

This is a non-consolidated financial statement.

The Consolidation Unit that compiles the consolidated financial statement for the narrowest group of accounting units to which the Company belongs includes:

- the consolidated financial statement for Raiffeisen Bank International AG (hereafter „RBI Group“) is filed with the Handelsgericht Wien registration court, Marxergasse 1a, 1030 Vienna, Austria. Shares of Raiffeisen Bank International AG are listed on the Vienna Stock Exchange.

02 Important Accounting Methods

The Company's financial statement was prepared in compliance with the following important accounting methods:

a) Spot Operations and Derivatives

As part of its activities, the Company carries out (executes)

- Spot operations,
- Derivatives (forwards, swaps, and options).

Spot operations

Currency spot

Purchase or sale of a certain amount of funds in one currency for a certain amount of funds in another currency at a fixed exchange rate, during which the exchange rate is determined based on the current supply and demand situation for the currency pairing on the interbank foreign exchange market (contractual rate).

When concluding a trade, the CNB exchange rate on the settlement date is used. Reporting of profits or losses on currency operations occurs at the time the trade is settled, e.g. at the time of settlement of the liability or receivable. Profits and losses on settlement of foreign exchange currency transactions are reported in the profit and loss statement under the „Profit or loss from financial operations“ heading.

Non-settled spot operations existing on the date of the financial statement are reported in the off-balance sheet records. Non-settled trades as of the last day of the month are re-appraised at the CNB exchange rate valid on the last day of the relevant month and the calculated profit or loss is reported in the Profit and Loss Statement under the „Profit or loss from financial operations“ heading.

Derivatives

Currency forward

Purchase or sale of a certain amount of funds in one currency for a certain amount of funds in another currency at a fixed exchange rate, during which the exchange rate is determined based on the current supply and demand situation on the foreign exchange market and the interest rates for the currencies involved.

The settlement of currency forwards occurs in the future: at the earliest, on the sixth business day and, at the latest, one year after the trade is closed.

Both the forward rate and the settlement date are binding; they cannot be changed after entering into the trade. For certain forwards the settlement date is established via a framework agreement and authorises the client to carry out a transaction for the full or partial volume at anytime during the agreed period.

Currency swap

Exchange of funds in one currency for their value in another currency for a fixed period of time. If this period begins in the future, it is referred to as a Forward FX swap option.

Settlement will take place in two independent conversions, i.e., the initial sale of funds by the client to the Company for the current Spot (or Forward Rate in the case of a Forward FX Swap) exchange rate and in the future for their buyback by the client from the Company for the Forward Rate.

Options

The right (in no case the obligation) to buy / sell one currency for another at a pre-arranged exchange rate - the Strike Price and by an agreed date in the future - Expiration Date. For this right, the buyer pays the seller for the option Premium.

An option's (Premium's) market price is payable immediately or on the next working day, based on the prior approval of the Risk Management department and is based on current market supply and demand.

If the option is exercised by the client or the Company, the settlement will take place as a „spot trade“ in the Company's trading system.

Fair value of derivatives

The fair value of financial derivatives is determined as the present value of expected cash flows arising from those transactions. To determine the present value, parameters ascertained from the active market, e.g., such as exchange rates, interest rates for a given maturity based on the yield curve, etc. are used.

For derivatives whose settlement date is set as a framework, the value of the derivative set by the company also reflects the expected date of execution of the transaction by the client. This estimate can have a major impact on the determined value of the given derivative.

Reporting derivatives

Unsettled derivatives (forwards, swaps and options) are reported at fair value on the balance sheet. Positive fair values of unsettled derivatives are reported as assets under the „Other assets“ heading. Negative fair values of unsettled derivatives are reported as liabilities under the „Other liabilities“ heading.

In the off-balance sheet items, unsettled derivatives are reported in the undiscounted contractual value lines for the underlying instruments:

- „Receivables from fixed-term operations“ and „Liabilities from fixed-term operations“ in the case of currency forwards and currency swaps,
- „Liabilities from options“ and „Debts/obligations from options“ in the case of options.

Unrealized profits and losses arising from changes in fair values of unsettled derivatives and realized profits and losses from settled derivatives are reported in the profit and loss statement under the „Profit or loss from financial operations“ heading.

Exchange rate discrepancies

Assets and liabilities held in a foreign currency at the end of each month (including the accounts reporting date) are re-appraised at the CNB exchange rate valid for the last day of the relevant month. Relevant exchange rates are reported in the profit and loss statement under the „Profit or loss from financial operations“ heading.

b) Financial Assets and Financial Liabilities

i. Settlement and Initial Appraisal

The accounting unit initially settles select financial assets and liabilities at the moment they arise, which is the date when the accounting unit becomes part to a contractual arrangement for the relevant financial instrument. Spot trades and sales of financial assets are settled on the date the trade is executed (settled).

A financial asset or a financial liability is initially appraised at a fair value, which is adjusted for transaction costs. This adjustment for transaction costs does not apply to financial instruments appraised at a fair price for profit or loss (FVTPL). Transaction costs are costs that are directly assignable to purchases or emissions.

ii. Classification

Financial assets

During the initial settlement, a financial asset is classified as appraised by/at

- Actual Cost (AC),
- Fair Value through the Statement of Profit or Loss (FVTPL).

A financial asset is appraised at the actual cost (AC), provided it meets both of the following conditions and meanwhile is not meant for appraisal at the Fair Value through Statement of Profit or Loss (FVTPL):

- the asset is held as part of a trade model, whose aim is to hold the financial asset for the purpose of gaining contractual monetary flows,
- the contractual terms of the financial asset set a specific date for monetary flows created solely for instalment payments of principal and interest on the unpaid portion of the principal (i.e., a so-called SPPI Test).

A debt instrument is appraised at a fair value against Fair Value through Other Comprehensive Income (FVOCI) only provided it fulfils both of the conditions below and meanwhile is not meant for appraisal at the Fair Value through Statement of Profit or Loss (FVTPL):

- the asset is held as part of a trade model, whose aim is both to collect contractual monetary flows and to sell financial assets,
- the contractual terms of the financial asset set specific dates for monetary flows created solely for instalment payments of principal and interest on the unpaid portion of the principal (i.e., a so-called SPPI Test).

All other financial assets are appraised at the Fair Value through statement of Profit or Loss (FVTPL).

Financial liabilities

The accounting unit classifies its financial liabilities, other than financial guarantees and assurances provided, as appraised

- at the actual cost/value, or
- the Fair Value through the Statement of Profit or Loss (FVTPL).

iii. Deductions

Financial assets

The accounting unit deducts financial assets, provided

- contractual rights to the monetary flows from financial assets cease, or
- rights to acquire monetary flows in a transaction wherein all risks and benefits related to ownership of the financial capital are transferred, or where the accounting unit neither transfers nor keeps essentially all risks and benefits related to ownership of financial assets and where it does not maintain oversight of the financial asset.

When deducting financial assets, the difference between the

- assets' accounting/balance sheet value (or the part of the accounting value allocated to the part of the deducted asset) and
- the sum (i) of the payment received (including any asset acquired minus the value of any newly accepted liability) and the accumulated profit or loss that were processed as part of the ownership capital is reported in the profit and loss statement.

Financial liabilities

The accounting unit deducts a financial liability, provided its contractual obligations have not been fulfilled or if they have been cancelled or cease to exist.

iv. Depreciation

The accounting unit report adjustable cost items for expected credit losses (ECL) for the following financial instruments which are appraised at Fair Value through the Statement of Profit or Loss (FVTPL):

- Liabilities to banks and credit unions,
- Liabilities to non-bank subjects.

Establishment of expected credit losses (ECL)

For greater detail, see item 27a.

Credit depreciated financial assets

By each financial statement report day, the accounting unit assesses whether the financial assets appraised at the current value and the debt-based financial assets appraised at a fair price against the Fair Value through Other Comprehensive Income (FVOCI) are not depreciated as credit. Financial assets are credit depreciated, provided one or more events have occurred that have a negative impact on anticipated future monetary flows from the financial asset.

Evidence that a financial asset has been credit depreciated includes the following noticeable facts:

- significant financial problems for the debtor or the emitter;
- breach of contract, e.g., failure on part of the debtor or failure to meet payment deadlines;
- it becomes likely that the debtor will file for insolvency, bankruptcy or any other financial reorganization, or;
- the cessation of an active securities market on grounds of financial difficulties.

Presentation of adjustable cost items for ECL in the financial statement

Adjustable cost items for ECL are deducted from the asset's gross accounting value.

Adjustable cost items for ECL created to counter expenditures are reported in the profit and loss statement under the „Deductions, creation and usage of adjustable cost items and reserves for liabilities and guarantees“ heading. In this item, we also report the subsequent usage of adjustable cost items.

Dissolution of adjustable cost items for ECL due to their lack of necessity is reported in the profit and loss statement under the „Dissolution of adjustable cost items and reserves for liabilities and guarantees, earnings from previously deducted liabilities“ heading.

c) Transaction Date

Depending on the type of transaction, the moment of transaction is set to the date of payment or receipt of cash; the date of purchase or sale of currency, foreign currency or securities; the date of payment or debit from the client's account; the date of the correspondent's payment order; the date of crediting the (foreign) funds according to a notice received from the correspondent of the company (notice means a report in the SWIFT system, a bank notice, an account statement or other documents); the date of the trade and the date of settlement of foreign exchange transactions, other derivatives; the date of issue or acceptance of the guarantee; or the date of service provision.

In the case of incoming invoices in a foreign currency, the date of execution of the taxable transaction is the date of provision of service or the date of issue of the invoice, unless the date of the provision of the service is clearly determined, or in cases such as the date of payment of advance overhead invoices from any European Community country. In the case of invoices received from commercial agents, the date of the taxable transaction is the last day of the month during which the service was provided.

d) Participating Interest with Controlling Influence

Dceřiný A daughter company (participation with controlling influence) is an accounting unit controlled by another accounting unit.

Taking control of a unit, into which the company has invested, means the investor controls the unit it has invested

in, provided it can draw on variable earnings or has a right to them based on its engagement in that unit and can use its power, via these earnings, to influence the unit.

Thus an investor controls a unit, into which it has invested, only in the event that all the following points hold true:

- it has power over the unit into which it has invested,
- based on its engagement in the unit into which it has invested, it collects variable earnings or has a right to such earnings,
- it has the ability to use its power over the unit, into which it has invested, to influence the amount of its own earnings.

Participations with controlling influence are appraised at their purchase price.

Participations with controlling influence are appraised at their purchase price which is then lowered by adjustable cost items on grounds of the temporary decrease in the value of this participation. This is done individually for each participation.

Creation, dissolution and usage of related adjustable cost items are reported in the profit and loss statement under the „Dissolution of adjustable cost items for participations with controlling and significant influence“ and „Losses from transfer of participation with controlling and significant influence, creation and usage of adjustable cost items for participations with controlling and significant influence“ headings.

e) **Tangible and Intangible Assets**

Long-term tangible and intangible assets are processed (accounted for) at their historic purchase prices; assets created by the business' own activities are appraised at actual cost and are deducted fairly.

The deduction periods for individual categories of long-term tangible and intangible assets are as follows:

Buildings	10 years
Software	5 years
Appraisable rights	6 years
Technical appraisal of rented buildings	10 years
Computers	3 years
Inventory	3 to 10 years
Other	3 years
Vehicles	5 years

Accounting and tax deductions are not the same for long-term tangible assets.

Leasing From the Renter's Perspective

The accounting unit applies the international accounting standard, IFRS 16 Leasing. A contract is considered a leasing (act) provided it transfers the right to control usage of the identified asset for a defined period of time for a payment.

IFRS 16 brings about changes in charging and reporting for the renter. The accounting unit in the role of renter reports an asset based on usage rights for the rented assets and related obligations for the leasing (contract), with the following exceptions:

- the rental period is less than 12 months,
- or the underlying asset has a low purchase price – the Company set this value at 112 000 CZK.

Assets from usage rights

An asset based on usage rights is initially appraised at its purchase price which includes

- the initial appraisal of the leasing obligation (contract),
- leasing payments made by the start of, or prior to, the date after deducting all leasing incentives received,
- initial direct costs,

- estimated costs that the renter pays for the disassembly and liquidation of the leased asset.

Assets for usage rights are reported in the balance sheet under the heading „Long-term tangible assets“ and are evenly deducted for the period until the end of the economic lifecycle of the underlying asset or until the end of their rental: this according to which period ends sooner. The relevant deductions are reported in the profit and loss statement under the heading „Deductions, creation and usage of reserves and adjustable cost items for long-term tangible and intangible assets“.

In the case of the Company, this involves usage rights for the following assets:

- the building and parking spaces in Nerudova Street in Hradec Králové,
- the building including parking spaces – Prague-Smíchov,
- printers,
- personal vehicles..

The amortization period is defined in the valid rental agreement.

Leasing obligations

A leasing obligation is initially appraised for the amount of the current value of the leasing payments that have not been paid as of the date of the first reporting. Leasing payments are discounted by the interest rate that the renter would have to pay were he to borrow money to purchase the underlying asset while taking into consideration conditions related to the leasing process (e.g., duration of the lease, amount of the loan, etc.).

Afterwards, the leasing obligation is re-appraised provided a change in future leasing payments would occur (e.g. on grounds of changes in the appraisal, if and when an extension or premature ending of the lease would occur, etc.). If the leasing obligation is re-appraised as such, then an adjustment to the asset appraisal for usage rights will occur. Provided the asset for usage rights is null, then the given re-appraisal for the leasing obligation is accounted for (reported) in the profit and loss statement.

The leasing obligation is reported in the „Other obligations“ item in the balance sheet.

Interest costs arising from the leasing obligation are reported in the profit and loss statement in the item „Costs for interest and similar costs“ and are differentiated using an effective interest rate.

f) Reserves

Reserves represent probable performance, with uncertain timing and amounts. Reserves are created at the expense of costs for an amount that is the best estimate of the expenses necessary to settle existing debt.

Reserves are created provided the following criteria have been met:

- a) there is a duty (legal or material) to perform (fulfil obligations) as a result of past events,
- b) it is probable or certain that a transaction will occur and will require an outflow of funds representing economic benefits, where „probable“ means a likelihood greater than 50%;
- c) it is possible to make a reasonably reliable estimate of performance.

The Company creates a non-tax reserve for annual bonuses that are paid out in the following year. It also creates a reserve for unused vacation (holiday) time. These reserves are created such that they include related social security and health insurance costs.

In 2023 the Company created a non-tax reserve for Transaction Tax related to payment transactions in Hungary. Because at the time of compiling this financial statement the aggregate of these transactions was not precisely defined, a reserve fund was created in lieu of an adjustable cost items.

g) Interest

Interest earnings, or interest costs, reported in the profit and loss statement under the „Interest earnings and similar earnings“ or „Interest costs and similar costs“ headings include interest from financial assets and financial liabilities appraised at their current price and calculated using an effective interest rate.

h) Taxation

The tax base for income tax is calculated from the company's financial results for the current period by adding

non-deductible expenses and deducting income that is not subject to income tax and has been further adjusted for tax rebates and any relevant tax credits paid abroad.

Deferred tax is based on any temporary differences between assets' and liabilities' accounting and tax values while using the expected tax rate applicable for the subsequent period. A deferred tax asset is accounted for (entered into the books) only if there is no doubt about its continued application in subsequent accounting periods.

i) Public Aid (Support)

The Company did not receive any public aid during the years 2023 nor in 2022.

j) Client Assets

The Company lists client assets in the form of cash held on bound bank accounts. It reports these assets in the following way:

- Assets – Liabilities to banks and credit unions,
- Liabilities - Obligations to non-bank subjects.

03 Changes to Accounting Methods

The accounting department (unit) did not make any changes to its accounting methods in 2023.

04 Corrections to Previous Periods

No correction of errors from past periods were carried out in 2023.

05 Net Interest Earnings

Thousands of CZK	2023	2022
Interest earnings from bank accounts	25 195	521
Interest earnings from loans made and credits	212	208
Total interest earnings	25 407	729
Interest costs and related costs	(6 186)	(3 866)
Interest costs from leasing obligations	(2 334)	(683)
Total interest costs	(8 520)	(4 549)
Net interest earnings	16 887	(3 820)

Interest earnings from loans provided and credits represent interest from loans made by NERUDOVA property s.r.o., ID No. 04151640 for the amount of 212,000 CZK (2021 : 208,000 CZK).

Expense/cost interest represents interest paid to banking institutions for an amount of 5,733 thousand CZK (2022: 3 866 thousand CZK).

In 2023 clients were paid interest amounting to 447 thousand CZK (2022: 0 thousand CZK).

We also report here interest costs from leasing obligations based on the application of the IFRS 16 accounting standard for the amount of 2 334 thousand CZK (2022: 683 thousand CZK).

Interest earnings and interest costs calculated based on the effective interest rate method for the following items are for the following amounts:

Thousands of CZK	2023	2022
Interest earnings from financial assets appraised at current value	25 407	729
Interest costs from financial liabilities appraised at current value	(6 186)	(3 866)

06 Income and Expenses from Fees and Commissions

Thousands of CZK	2023	2022
Income from fees and commissions		
<i>from spot operations, derivative operations and transfers</i>	27 878	22 689
Total	27 878	22 689
Expenses for fees and commissions		
<i>from spot operations, derivative operations and transfers</i>	(28 736)	(26 599)
Total	(28 736)	(26 599)
Net income from fees and commissions	(858)	(3 910)

07 Profit or Loss from Financial Operations

Thousands of CZK	2023	2022
Total	347 952	411 103

08 Other Operating Income and Expenses

Thousands of CZK	2023	2022
Turnover from sales of services	240	220
Other	1 411	1 733
Total	1 651	1 953
Other operating expenses	(1 723)	(27 168)
Total	(1 723)	(27 168)

Turnover from sales of services and assets consists of earnings from providing financial services and payments for fuel costs for employees for kilometres driven in their own vehicles.

The Other heading as part of Other operational earnings/revenues represents mainly contractual fines, penalty interest fees, re invoicing of costs and earnings from a priority terminated operative leasing agreement.

Other operating expenses represent membership fees, insurance of property/assets and employees plus deficits and damages for which in 2022 amounted to 24 761 thousand CZK for a write-off of a failed investment for software development.

09 Administrative Costs

Thousands of CZK	2023	2022
Costs per employee	150 365	132 448
<i>of this: wages and employee bonuses</i>	96 213	79 544
<i>of this: social security and health insurance</i>	37 284	32 320
<i>of this: wages and bonuses paid to board members</i>	16 868	20 584
Other administrative costs	129 323	151 015
<i>of this: bonuses/commissions for traders/consultants</i>	69 836	73 096
<i>of this: outsourcing costs</i>	18 466	16 779
<i>of this: statutory audit costs</i>	1 334	1 217
<i>of this: tax and legal consulting</i>	1 890	1 705
<i>of this: promotion, events, PR</i>	13 654	12 974
<i>of this: other services – software maintenance and support</i>	778	14 132
<i>of this: rental and other leasing costs</i>	11 377	11 121
Total	279 688	283 463

The average adjusted number of employees was as follows:

	2023	2022
Employees	123	107
Board members	3	3
Supervisory board members	5	5

Rentals and leasing

Neither for the year 2023 or the year 2022 were rental and leasing costs reported as administrative costs, because the Company, as of 1 Jan. 2019, reports assets from usage rights for this property, which are written off, and also leasing obligations for which interest costs are reported.

The Rental and other leasing costs heading contains costs relating to leasing payments that were not included in appraisals of leasing obligations for the year 2023. These amount to 792 thousand CZK (2022: 262 thousand CZK). Because the Company, in cases of

- short-term leasing,
- or leasing at a low purchase price,

does not report assets from usage rights for such leasing agreements in its balance sheet, but rather uses the option for reporting costs related to those leasing agreements directly in its profit and loss statement (i.e., under the heading Other administrative costs), the Other heading contains these costs broken down as follows:

Thousands of CZK	2023	2022
Costs related to short-term leasing agreements	456	87
Cost related to leasing agreements with low purchase prices	336	175
Total costs related to short-term leasing agreements and leasing agreements with low purchase prices	792	262

Total cash expenditure on all leasing agreements for 2023 were for a total amount of 7,315,000 CZK (2022: 2,289,000 CZK).

10 Income and Expenses per Region of Activity

a) Geographic Areas

Thousands of CZK	Czech Republic		Central and Eastern Europe	
	2023	2022	2023	2022
Interest earnings and similar earnings	25 388	719	19	10
Interest costs and similar costs	8 518	4 491	2	58
Income from fees and commissions	3 874	4 248	24 004	18 441
Expenses for fees and commissions	10 512	9 602	18 224	16 997
Profit or loss from financial operations	180 748	194 457	167 204	216 646

11 Transactions with Related Parties

Thousands of CZK	2023	2022
Debts	1 254 642	1 177 308
Liabilities	12 059	130 110

Thousands of CZK	2023	2022
Earnings	846 962	336 102
Costs	650 358	324 681

Liabilities with related parties as of 31 Dec. 2023 for an amount of 12 254 642 thousand CZK (31 Dec. 2022: 1,177,308 thousand CZK) consist of the following:

- liability from a loan for NERUDOVA property s.r.o. for the amount of 11 961 thousand CZK (as of 31 Dec. 2022: 11 749 thousand CZK) based on a loan agreement payable by 9 July 2025. This liability (debt) has a fixed interest rate;
- deposits paid for rental deposits and services related to building rental paid for by NERUDOVA property s.r.o. for the amount of 2 245 thousand CZK (2022: 1 301 thousand CZK);
- liability (debt) for Akcenta Digital s.r.o. for provision of deposits for services for the amount of 500,000 CZK (2022: 500,000 CZK);
- liability for Raiffeisenbank group on grounds of balances on bank accounts for 1 254 642 thousand CZK (2022: 1 163 746 thousand CZK);
- liability (debt) for Akcenta DE GmbH for a deposit provided for the amount of 719,000 CZK (2022: 0 CZK).

Debts to related parties include debts for unpaid invoices for services from related parties that are already mature (due). Earnings from related parties consist mainly of interest on loans and revenues from outsourcing:

- liability for Raiffeisenbank group on grounds of hedging derivative trades for the amount of 8 700 thousand CZK (2022: 127 400 thousand CZK).

Earnings from (with) related parties consist mainly of exchange rate profits and interest on loans, collateral and option premiums:

- exchange rate profits - Raiffeisenbank group: 845 983 thousand CZK (2022: 335 753 thousand CZK).

Costs from related parties represent mainly the following:

- outsourcing services for the amount of 18,466,000 CZK (2022: 16,779,000 CZK),
- costs stemming from rental of space for the amount of 4,416,000 CZK (2022: 2,518,000 CZK) and related services,
- costs related to operative leasing for the amount of 1,535,000 CZK (2022: 71,000 CZK),
- interest costs for the amount of 5,731,000 CZK (2022: 3,389,000 CZK),
- fee costs for the amount of 7,551,000 CZK (2022: 7,065,000 CZK),
- exchange rate losses from trades: 617,237,000 CZK (2022: 290,288,000 CZK).

12 Liabilities for Banks

Thousands of CZK	31 Dec. 2023	31 Dec. 2022
Current accounts (nostro accounts)	2 922 960	3 368 471
<i>Of this: client funds</i>	<i>2 870 103</i>	<i>3 320 299</i>
<i>operating funds</i>	<i>52 857</i>	<i>48 172</i>
Backing for spot trades	98 024	196 511
Other liabilities	24 735	65
Liabilities for banks – gross amount	3 045 719	3 565 047
Adjustable cost items	0	0
Liabilities for banks – net amount	3 045 719	3 565 047

Client funds consist of clients' assets in the form of cash held on bound bank accounts where, in accordance with par. 1, §12e of the Capital Markets Act (No. 256/2004 Coll.), it is forbidden to use these funds for trades on the Company's account or another client's account; see Chap. 6 of the Directive No. 24 on rules for engaging with customers.

All liabilities for banks as of 31 Dec. 2023 and 31 Dec. 2022 are appraised at their current value per IFRS 9.

The backing for spot trades represents a debt to Saxo Bank a.s., organization unit, for the amount of 98,024, 000 CZK as of 31 Dec. 2023 (31 Dec. 2021: 196,511,000 CZK). This is a deposit for ongoing spot trades.

a) Classification of Liabilities for Banks at Their Current Value per Their Credit Risk Rating Level

As of 31 Dec. 2023 Thousands of CZK	Level 1 12-month expected credit loss	Level 2 Expected credit loss for the full period that financial assets are not credit-depreciated	Level 3 Expected credit loss for the full period that financial assets are credit-depreciated	Total
Liabilities for banks appraised at current value				
Credit rating Aaa to Aa3	-	-	-	-

Credit rating A1 to A3	2 169 348	-	-	2 169 348
Credit rating Baa1 to Baa3	434 330	-	-	434 330
Credit rating Ba1 to Ba3	442 041	-	-	442 041
Liabilities for banks for their gross amount	3 045 719	-	-	3 045 719
Adjustable cost item	-	-	-	-
Liabilities for banks for their net amount	3 045 719	-	-	3 045 719

As of 31 Dec. 2022 Thousands of CZK	Level 1 12-month expect- ed credit loss	Level 2 Expected credit loss for the full period that financial assets are not credit-de- preciated	Level 3 Expected credit loss for the full period that financial assets are credit-depre- ciated	Total
Liabilities for banks appraised at current value				
Credit rating Aaa to Aa3	48 224	-	-	48 224
Credit rating A1 to A3	2 239 258	-	-	2 239 258
Credit rating Baa1 to Baa3	828 897	-	-	828 897
Credit rating Ba1 to Ba3	448 668	-	-	448 668
Liabilities for banks for their gross amount	3 565 047	-	-	3 565 047
Adjustable cost item	-	-	-	-
Liabilities for banks for their net amount	3 565 047	-	-	3 565 047

b) Liabilities to Banks According to Residual Maturity

Liabilities to banks are contractually payable (become mature) within one month.

c) Analysis of Liabilities for Banks According to Collateral Type

Liabilities for banks do not represent collateral-backed liabilities.

13 Liabilities for Non-Bank Subjects

a) Appraisal of Liabilities for Non-Bank Subjects

Thousands of CZK	31 Dec. 2023	31 Dec. 20232
Liabilities for clients for their gross amount	13 941	14 613
Adjustable cost items	(12 324)	(11 740)
Liabilities for clients for their net amount	1 617	2 873
Liabilities for related parties for their gross amount	12 462	12 250
Total liabilities for non-bank subjects for their net amount	14 079	15 123

All liabilities for non-bank subjects as of 31 Dec. 2023 and 31 Dec. 2022 are appraised at their current value per the IFRS 9.

Liabilities for clients

Liabilities for clients consist of liabilities for fees and penalties invoiced for trades and debt liabilities from trades. Part of liabilities for clients also include liabilities on grounds of sending a duplicate payment to a client account for the amount of 5 721 thousand CZK (31 Dec. 2022: 5 580 thousand CZK) and a liability on the grounds of an exchange rate loss for the amount of 4 440 thousand CZK (31 Dec. 2022: 4 487 thousand CZK). An adjustable cost item was created for these liabilities.

b) Liabilities for Non-Bank Subjects at Current Value per Degree of Depreciation

As of 31 Dec. 2023 Thousands of CZK	Level 1 12-month expected credit loss	Level 2 Expected credit loss for the full period that financial assets are not credit-depreciated	Level 3 Expected credit loss for the full period that financial assets are credit-depreciated	Total
Liabilities for non-bank subjects appraised at current value	Total			
Liabilities for non-bank subjects for their gross amount	-	12 462	13 941	26 403
Adjustable cost item	-	-	(12 324)	(12 324)
Liabilities for non-bank subjects for their net amount	-	12 462	1 617	14 079

As of 31 Dec. 2022 Thousands of CZK	Level 1 12-month expected credit loss	Level 2 Expected credit loss for the full period that financial assets are not credit-depreciated	Level 3 Expected credit loss for the full period that financial assets are credit-depreciated	Total
Liabilities for non-bank subjects appraised at their current value				
Liabilities for non-bank subjects for their gross amount	-	12 250	14 613	26 863
Adjustable cost items	-	-	(11 740)	(11 740)
Liabilities for non-bank subjects for their net amount	-	12 250	2 873	15 123

Given that most of the liabilities for non-bank subjects consist of liabilities for related parties, the Company does not set a rating level for credit risk.

c) Analysis of Liabilities (Debts) for Non-Bank Subjects According to Sector and Collateral Type

Liabilities for non-bank subjects consisted mainly of liabilities for related parties who have no special backing.

d) Debts Written-Off for Non-Bank Subjects and Earnings from Debt Write-Offs

No debt write-offs were carried out in 2023.

14 Participations with Controlling Influence

As of 15 June 2015, the Company has a 100% stake in NERUDOVA property s.r.o., ID No. 04151640.

As of 13 March 2020, the Company has a 100% stake in Akcenta Digital s.r.o. (True Finance s.r.o., ID No. 05177138 – on 29 June 2022 the company's renaming to Akcenta Digital s.r.o. was recorded in the commercial registry.

On 23 February 2021 the Company established a subsidiary company AKCENTA DE GmbH in Germany. It has a 100 stake in that company.

As of 31 Dec. 2023 Thousands of CZK	Headquarters	Business activity	Share capital*	Other items OC*	Share of OC*	Share of voting rights	Ac- counting value
NERUDOVA property s.r.o.	Gočarova 227/50, Hradec Králové	Rental of real estate, apartments and commercial spaces	200	11 308	100 %	100 %	9 700
Akcenta Digital s.r.o.	Nerudova 1361/31, Hradec Králové	Electronic marketplace for trading debt	20	199	100 %	100 %	5 207
AKCENTA DE GmbH	Axel-Springer-Platz 3, Hamburg	Zprostředkování smluv s klienty na území Německa	653	906	100 %	100 %	653
Total			873	12 413	100 %	100 %	15 560

As of 31 Dec. 2023 Thousands of CZK	Headquarters	Business activity	Share capital*	Other items OC*	Share of OC*	Share of voting rights	Ac- counting value
NERUDOVA property s.r.o.	Nerudova 1361/31, Hradec Králové	Rental of real estate, apartments and commercial spaces	200	11 308	100 %	100 %	9 700
Akcenta Digital s.r.o.	Nerudova 1361/31, Hradec Králové	Electronic marketplace for trading debt	20	199	100 %	100 %	5 207
AKCENTA DE GmbH	Axel-Springer-Platz 3, Hamburg	Managing contracts with clients in Germany	653	1 278	100 %	100 %	653
Total			873	12 785	100 %	100 %	15 560

* According to the company's trial balance sheets.

15 Long-Term Intangible Assets

a) Changes in Long-Term Intangible Assets

Thousands of CZK	Software	Appraisable rights	Unassigned assets	Total
Purchase price				
As of 1 Jan. 2022	24 057	32 540	32 853	89 450
Add-ons	2 729	-	13 944	16 673
Other changes	-	-	(28 742)	(28 742)
As of 31 Dec. 2022	26 786	32 540	18 055	77 381

As of 1 Jan. 2023	26 786	32 540	18 055	77 381
Add-ons	24 667	238	57 549	82 454
Other changes	(2 430)	-	(25 097)	(27 527)
As of 31 Dec. 2023	49 023	32 778	50 507	132 308
Adjustments and adjust. cost items				
As of 1 Jan. 2022	17 768	32 540	-	50 308
Annual deductions	2 636	-	-	2 636
As of 31 Dec. 2022	20 404	32 540	-	52 944
As of 1 Jan. 2023	20 404	32 540	-	52 944
Annual deductions	2 791	8	-	2 799
Other changes	(2 430)	-	-	(2 430)
As of 31 Dec. 2023	20 765	32 548	-	53 313
Balance price				
As of 31 Dec. 2022	6 382	-	18 055	24 437
As of 31 Dec. 2023	28 258	230	50 507	78 995

The growth (add-on) under the heading Unassigned Assets for the amount of 57,549,000 CZK for 2023 (2022: 13,944,000 CZK) relates mainly to the development of new commercial software. Of this amount assets valued at 16,283,000 CZK (2022: 1,272, 000 CZK) make up assets derived from own activities.

16 Long-Term Tangible Assets

a) Changes to Long-Term Tangible Assets

Thousands of CZK	Land/buildings	Machines/de- vices	Vehicles	Total
As of 1 Jan. 2022	14 085	11 405	6 814	32 304
Add-ons	7 014	3 291	1 234	11 539
Other changes	(155)	(3 085)	-	(3 240)
As of 31 Dec. 2022	20 944	11 611	8 048	40 603
As of 1 Jan. 2023	20 944	11 611	8 048	40 603
Add-ons	5 747	8 755	3 108	17 610
Other changes	-	(596)	(322)	(918)
As of 31 Dec. 2023	26 691	19 770	10 834	57 295

Adjustments and adjust. cost items				
As of 1 Jan. 2022	3 990	8 162	3 083	15 235
Annual deductions	1 579	1 278	1 281	4 138
Other changes	(155)	(3 085)	-	(3 240)
As of 31 Dec. 2022	5 414	6 355	4 364	16 133
As of 1 Jan. 2023	5 414	6 355	4 364	16 133
Annual deductions	2 995	3 280	2 242	8 517
Other changes	-	(596)	(322)	(918)
As of 31 Dec. 2023	8 409	9 039	6 284	23 732
Balance price				
As of 31 Dec. 2022	15 530	5 256	3 684	24 470
As of 31 Dec. 2023	18 282	10 731	4 550	33 563

b) Long-Term Tangible Assets Reported in Compliance with IFRS 16

As part of long-term tangible assets (see Item 16a), we report, as of 1 Jan. 2019, usage rights for the following types of assets:

Thousands of CZK	Land/buildings	Machines/de- vices	Vehicles	Total
As of 1 Jan. 2022	13 456	483	-	13 939
Add-ons	7 014	-	1 234	8 248
Other changes	(155)	-	-	(155)
As of 31 Dec. 2022	20 315	483	1 234	22 032
As of 1 Jan. 2023	20 315	483	1 234	22 032
Add-ons	5 748	7 315	3 107	16 170
Other changes	0	(230)	(321)	(551)
As of 31 Dec. 2023	26 063	7 568	4 020	37 651
Corrections and adjustable cost items				
As of 1 Jan. 2022	3 702	301	-	4 003
Annual deductions	1 516	105	121	1 742
Other changes	(155)	-	-	(155)
As of 31 Dec. 2022	5 063	406	121	5 590
As of 1 Jan. 2023				
Annual deductions	5 063	406	121	5 590
Other changes	2 932	1 518	1 079	5 529
As of 31 Dec. 2023	-	(230)	(321)	(551)
K 31. prosinci 2023	7 995	1 694	879	10 568

Balance price				
As of 31 Dec. 2022	15 252	77	1 113	16 442
As of 31 Dec. 2023	18 068	5 874	3 141	27 083

Land and Buildings

The Company rents land and buildings for its headquarters, for housing and for parking. These rental arrangements usually last for a period of 13 years. Rental fees are denominated in Czech crowns.

In 2022, a contract was concluded for the rental of office space including parking spaces in Prague-Smíchov. This is for use by a group of IT employees. For purposes of IFRS reporting we decided on a rental period of 7 years.

Machines and Devices

The Company rents printers for operational and commercial purposes. These rental arrangements usually last for a period of 60 months. Rental fees are denominated in Czech crowns. In 2023, we concluded three new contracts for operative leasing and terminated one contract agreement.

Vehicles

This involves vehicles the Company rents for business trips by its sales directors and company employees. Usually, rental agreements are entered into for periods between 24–60 months. Rental fees are denominated in Czech crowns.

17 Other Assets

Thousands of CZK	31 Dec. 2023	31 Dec. 20232
Positive fair value of derivatives	131 769	198 269
Deferred tax liability	7 912	5 961
Other	7 339	3 582
Total	147 020	207 812

a) Positive Fair Value of Derivatives

Derivatives are backed by cash collateral for an initial value of 10% of the nominal trade value. From the moment of the trade close up to maturity, the fair trade value is monitored using the Marked to Market (MTM) method. Provided the MTM value achieves 85% of the collateral value, the client is asked to add to the collateral such that the MTM value falls below 70% of the collateral value.

b) Other

The "Other" heading represents mainly the following:

- operating deposits provided for an amount of 3,439,000 CZK (31 Dec. 2022: 1,734,000 CZK);
- liabilities on behalf of employees for an amount of 270,000 CZK (31 Dec. 2022: 175,000 CZK); and

18 Liabilities to Banks and Accepted Pledges and Guarantees

In 2023, the Company concluded a framework agreement with Raiffeisenbank a.s. for bank loan/credit products. The bank provided a credit line for a maximum amount of 7,000,000 EUR.

The credit agreement with Komerční banka (KB) with a nominal value of 20 million CZK was discontinued in 2022.

Thousands of CZK	31 Dec. 2023	31 Dec. 2022
Type of credit (loan)	Credit Line	Overdraft Account
Credit drawn	-	-
Unused balance (to be drawn)	173 075	-
Maturity	30 Sept. 2024	-
Payment calendar	-	-
Repayable within 1 year	-	-
Repayable within 1-5 years	-	-

19 Commitments to Non-Bank Entities

a) Analysis of Commitments to Non-Bank Entities Based on Maturity

Thousands of CZK	31 Dec. 2023	31 Dec. 2022
(Re)payable on demand	2 750 771	3 157 643
<i>From client collateral</i>	29 305	68 295
Total	2 750 771	3 157 643

Obligations toward non-bank subjects represent balances on company clients' internal payment accounts (IPAs). The latter serve for payment transactions and currency operations.

b) Liabilities to Participations with Controlling Influence

The Company does not have any liabilities to participations with controlling influence.

20 Other Liabilities

Thousands of CZK	31 Dec. 2023	31 Dec. 2022
Negative fair amounts of derivatives	110 509	154 347
Suppliers	6 379	4 310
Liabilities to employees	7 397	7 542
Liabilities to the health insurance and social security fund	3 726	3 771
Liabilities to the national budget	1 230	1 128
Liabilities from trades	21 190	158 772
Liabilities from leasing	28 670	17 228
Debt cost estimate items	10 970	11 156
Essox obligation (liability)	25	171
Total	190 096	358 425

Liabilities to the health insurance and social security fund

Liabilities to the health insurance and social security fund amounted to 3,726,000 CZK (as of 31 Dec. 2022, they equalled 3,771,000 CZK). None of these liabilities are past their maturity date.

Liabilities from leasing

Liabilities from leasing amount to 28,670,000 CZK and represent obligations for leasing related to the application of the IFRS 16 accounting standard as of 1 Jan. 2019 (as of 31 Dec. 2022 these obligations equalled 17,228,000 CZK).

Liabilities from trading

Reductions in the item Liabilities from Trading was caused by a reduction in collateral received from commercial banks and credit unions to an amount of 8,700,000 CZK (148,862,000 CZK as of 31 Dec. 2022).

Liabilities from leasing based on maturity are segmented as follows:

Time frame	2023 Future leasing payments	2023 Interest	2023 Current value of min. leasing payments
Payable within a year	7 127	2 172	4 955
Payable within 1-5 years	27 340	4 209	23 131
Payable within over 5 years	588	4	584
Total	35 055	6 385	28 670

Time frame	2022 Future leasing payments	2022 Interest	2022 Current value of min. leasing payments
Payable within a year	3 498	1 227	2 271
Payable within 1-5 years	15 582	3 375	12 207
Payable within over 5 years	2 846	96	2 750
Total	21 926	4 698	17 228

21 Reserves

a) Evolution of Reserves

Thousands of CZK	Reserves - other	Reserves - other	Total
Balance as of 1 Jan. 2022	25 931	7 478	33 409
Creation	24 109	-	24 109
Dissolution of unnecessary reserves	(2 618)	-	(2 618)
Usage	(23 997)	(7 478)	(31 475)
Reserves balance as of 31 Dec. 2022	23 425	-	23 425
Balance as of 1 Jan. 2023	23 425	-	23 425
Creation	27 735	-	27 735

Dissolution of unnecessary reserves	-	-	-
Usage	(21 320)	-	(21 320)
Reserves balance as of 31 Dec. 2023	29 840	-	29 840

Segmentation of creation of reserves for 2023 for the amount of 27,735,000 CZK (2022: 24,109,000 CZK) consists of the following:

- creation of reserves for bonuses for the amount of 13,500,000 CZK (2022: 17,850,000 CZK);
- a reserve for unused vacation time for the amount of 4,235,000 CZK (2022: 4,601,000 CZK);
- in 2023 a reserve fund was created for the transaction tax in Hungary for an amount of 10,000,00 CZK;
- a reserve fund for income tax for the amount of anticipated taxes was created in 2023 for an amount of 15,347,000 CZK; and
- deposits on income tax payments for 2023 for an amount of 18,850,000 CZK are not listed.

22 Adjustable Cost Items for Liabilities

a) Evolution of Adjustable Cost Items for Liabilities for Non-Bank Subjects and Liabilities for Banks

Thousands of CZK	Tax deductible Liabilities for non-bank subjects	Non-tax deductible OP Liabilities for banks	Total
Balance as of 1 Jan. 2022	12 452	-	12 452
Creation	641	-	641
Dissolution	(598)	-	(598)
Usage	(701)	-	(701)
Exchange rate difference	(54)	-	(54)
Adjustable cost item balance as of 31 Dec. 2022	11 740	-	11 740
Balance as of 1 Jan. 2023	11 740	-	11 740
Creation	650	-	650
Dissolution	(211)	-	(211)
Usage	-	-	-
Exchange rate difference	145	-	145
Adjustable cost item balance as of 31 Dec. 2023	12 324	-	12 324

In 2023, no liabilities were written off.

In 2023, adjustable cost items were created for liabilities from trades (final accounting for OP) and for penalties (from trading markets in Poland and Hungary).

23 Share Capital

Share capital as of 31 Dec. 2023 for an amount of 100,125,000 CZK consisted of 21 shares of common stock in the bearer's name at a nominal value of 1,875,000 CZK per share and 162 shares of common stock in the bearer's name at a nominal value of 375,000 CZK per share.

Company shareholder structure as of 31 Dec. 2023:

Name	Headquarters	Number of Shares (pc.)	Share of basic capital (%)
Raiffeisen Bank International AG, ID No.: 90004205	Am Stadtpark 9, 1030 Vienna, Austria	103	70.04 %
Raiffeisenbank a.s., ID No.: 49240901	Hvězdova 1716/2b, 140 78 Prague 4, Czech Republic	80	29.96 %
Total		183	100 %

The Company plans to transfer profits from 2023 for the amount of 52,690,000 CZK to the non-distributed profit for the prior period (for 2022 the amount of transferred profit equalled 72,037,000 CZK). Planned transfer of profits is subject to approval by the shareholders meeting (general assembly).

24 Income Tax

Segmentation of income tax is as follows:

Thousands of CZK	31 Dec. 2023	31 Dec. 2022
Payable tax	15 313	17 446
Changes to deferred taxes reported in P/L statement	(1 951)	770
Total income tax	13 362	18 216

a) Payable Income Tax (Tax Due)

Thousands of CZK	31 Dec. 2023	31 Dec. 2022
Pre-tax profit or loss for the fiscal period	66 052	90 370
Non-tax deductible costs increasing the tax base	36 962	30 596
Other items lowering the tax base	(23 072)	(30 104)
<i>Subtotal</i>	<i>79 942</i>	<i>90 862</i>
Tax calculated at the 19% rate	15 189	17 264
<i>Taxes paid abroad</i>	<i>1 751</i>	<i>4 111</i>
<i>Cumulative taxes paid abroad</i>	<i>(1 627)</i>	<i>(3 929)</i>
Total tax liability	15 313	17 446

Total costs due to payable income tax for 2023 equalled 15,313,000 CZK (2022: 17,446,000 CZK). Subsequent calculations carried out after the close of the fiscal year decreased the value of tax payable (due) by 544,000 CZK to 14,769,000 CZK.

b) Deferred Tax Obligations / Liabilities

Deferred tax liabilities and debts consist of the following items:

Thousands of CZK	31 Dec. 2023 Deferred tax liability (+) / debt (-)	31 Dec. 2022 Deferred tax liability (+) / debt (-)	Change
Long-term tangible and intangible assets	(943)	(720)	(223)
Adjustable cost items for liabilities for non-bank subjects	2 588	2 230	358
Bonus and vacation (holiday) reserve fund	6 267	4 451	1 816
Net deferred tax debt/liability for which changes are reported in the profit and loss Statement	7 912	5 961	1 951

As of 31 December 2023, the Company reported a deferred tax debt in its other assets for the amount of 7,912,000 CZK (31 December 2022: 5,961,000 CZK) calculated with a 21% income tax rate.

The impact of the tax deferral under the Income Tax heading in the profit and loss statement for 2023 equalled profit amounting to 1,951,000 CZK (2022: a loss of 770,000 CZK).

25 Off-Balance Sheet Items

a) Debts / Liabilities from Spot and Fixed Trade Operations

The Company charges forward and swap trades with clients in its off-balance sheet accounts and records them there until the moment the trades are settled.

Furthermore, spot operations that are not settled neither on the debt side nor on the liability side are transferred to the off-balance sheet accounts.

Off-balance sheet debts and liabilities represent nominal (contractual) non-discount values.

b) Nominal and Fair Values for Fixed Trade Operations and Options

Thousands of CZK	31 Dec. 2023 Off-balance sheet items			31 Dec. 2022 Off-balance sheet items		
	Debt	Oblig.	Diff.	Debt.	Oblig.	Diff.
Trading Instruments						
Fixed currency operations	4 875 416	(4 850 024)	25 392	6 574 047	(6 540 704)	33 343
Currency options	5 174 434	(5 174 434)	-	1 496 743	(1 496 113)	630
Total	10 049 850	(10 024 458)	25 392	8 070 790	(8 036 817)	33 973

Off-balance sheet debts and liabilities are reported for their nominal (contractual) non-discount value amounts.

The following table contains the division of nominal values for individual types of financial derivatives based on their residual repayment (pay-back) periods.

As of 31 December 2023 Thousands of CZK	Within 3 months	3 months to 1 year	1-5 years	Over 5 years	Un- specified	Total
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Trading instruments						
Fixed currency operations (debts)	2 776 376	1 521 351	577 689	-	-	4 875 416
Fixed currency operations (liabilities)	(2 630 316)	(1 613 034)	(606 674)	-	-	(4 850 024)
Currency options (debts)	811 193	2 568 545	1 794 696	-	-	5 174 434
Currency options (liabilities)	(811 193)	(2 568 545)	(1 794 696)	-	-	(5 174 434)

As of 31 December 2022 Thousands of CZK	Within 3 months	3 months to 1 year	1-5 years	Over 5 years	Un- specified	Total
Trading instruments						
Fixed currency operations (debts)	2 724 769	2 850 976	998 302	-	-	6 574 047
Fixed currency operations (liabilities)	(2 693 162)	(2 849 766)	(997 776)	-	-	(6 540 704)
Currency options (debts)	270 162	738 363	488 218	-	-	1 496 743
Currency options (liabilities)	(269 973)	(737 922)	(488 218)	-	-	(1 496 113)

26 Classification of Financial Assets and Financial Liabilities

The following table provides a matching of items in the financial statement and the appraisal categories for financial instruments as of 31 Dec. 2023 and 31 Dec. 2022:

As of 31 December 2023 Thousands of CZK	Mandatory in FVTPL	Current value	Purchase price	Total
1 Cash on hand and central bank deposits		52		52
3 Liabilities for banks and credit unions		3 045 719		3 045 719
4 Liabilities for non-bank subjects		14 079		14 079
8 Participations with controlling influence			15 560	15 560
11 Other assets that are financial instruments	131 769	7 070		138 839
Total financial assets	131 769	3 066 920	15 560	3 214 249

As of 31 December 2023 Thousands of CZK	Mandatory in FVTPL	Current value	Total
1 Liabilities to banks and credit unions		19	19
2 Liabilities to clients – credit union members		2 750 771	2 750 771
4 Other debts that are financial assets	110 509	56 267	166 776
Total financial liabilities	110 509	2 807 057	2 917 566

As of 31 December 2022 Thousands of CZK	Povinně ve FVTPL	Naběhlá hodnota	Pořizovací cena	Celkem
1 Cash on hand and central bank deposits		27		27

3	Liabilities for banks and credit unions		3 565 047	3 565 047
4	Liabilities for non-bank subjects		15 123	15 123
8	Participations with controlling influence		15 560	15 560
11	Other assets that are financial instruments	198 269	1 794	200 063
Total financial assets		198 269	3 581 991	15 560
				3 795 820

As of 31 December 2022 Thousands of CZK		Povinně ve FVTPL	Naběhlá hodnota	Celkem
1	Liabilities to banks and credit unions		1	1
2	Liabilities to clients – credit union members		3 157 643	3 157 643
4	Other debts that are financial assets	154 347	180 481	334 828
Finanční závazky celkem		154 347	3 338 125	3 492 472

27 Credit Risk

As part of its activities, the Company does not take on, to a significant degree, credit risk.

Settlement of most payment transactions and fixed trades for foreign currencies agreed with clients always occurs after money arrives from the client onto the Company's account.

Beyond this, the Company asks of most of its clients, with whom it enters into forward and swap trades, for the blocking of client finances for the purpose of covering potential losses from these trades in the future (e.g., cash-collateral). In the event of negative developments during the trade period, the Company asks that this collateral be increased.

The Company's credit risk is also tied to the deposit of free financial resources held by the Company and client financial resources the Company holds onto bank accounts. The Company limits this risk and follows a rule that it chooses only banks (counterparties) who have ratings assigned by international rating agencies; namely, Moody's Investors Service and Standard & Poor's Corporation. Said ratings indicate that these institutions are sufficiently able to meet their own financial liabilities (commitments).

a) Setting Expected Credit Losses (ECL)

For the purpose of setting expected credit losses (ECL), the Company has divided up the Liabilities for banks and credit unions category (heading) based on quantitative and qualitative criteria for liabilities:

- not failing and without significant credit risk growth (Stage 1),
- with significant credit risk growth since the initial accounting (Stage 2),
- failing (Stage 3).

Furthermore, for purposes of calculating expected credit losses (ECL), the Company makes use of a simplified approach for the Liabilities for non-bank subjects category (heading), i.e., ECL is always for the amount of the full-life credit loss.

Calculation of expected credit losses (ECL) for liabilities for banks

The Company calculates expected credit losses (ECL) for liabilities for banks based on the following equation:

$$\text{ECL} = \text{PD} * \text{EAD} * \text{LGD}$$

Key outputs and requirements for ECL calculation include the following variables/parameters:

a) Probability of default (PD)

PD for each exposure has been set dependent on the counterparty's external credit rating based on data from

Moody's.

In the event that the counterparty does not have an assigned external credit rating, its rating is calculated based on the following:

- the parent company's rating; provided it involves a subsidiary company or bank branch office outside the EU, the counterparty's rating is reduced by one rating level;
- the average external credit rating of the five largest financial institutions in the given country which is reduced by the relevant number of rating levels depending on the counterparty's CET1 capital ratio. Provided the CET1 ratio is not available, the average rating is automatically reduced by three levels.

b) Exposure at default (EAD)

The gross accounting value as of the date of ECL calculation is classified as EAD.

c) Loss given default (LGD)

The user of this instrument has the option of choosing an LGD regulator value or a value set dependent of the counterparty's external rating based on data from Moody's.

Division of liabilities for banks into individual levels of devaluation (default)

Calculation of ECL for liabilities for banks based on individual levels of devaluation is as follows:

- Level 1 devaluation – for the amount of 12-month credit loss
- Level 2 and 3 devaluation – for the amount of full-life credit loss

Liabilities for banks are divided into individual levels of devaluation dependent on the number of days due (after maturity) with the exception of low credit risk and a credit risk increase following the initial accounting.

Assets in Level 1 devaluation:

- Financial assets less than 30 days overdue (past maturity);
- Financial assets whose counterparty has a credit rating on the Moody's scale of Baa3 or better (assets with a low credit risk for the counterparty);

Assets in Level 2 devaluation:

- Financial assets 30 or more days overdue (past maturity); however, maximum 90 days overdue (past maturity);
- Financial assets that have had a drop in their counterparty's credit rating on the Moody's scale by two or more levels since their initial accounting/processing (a significant increase in their credit risk since the initial accounting) and where the counterparty also has a credit rating of Ba1 or worse on the Moody's scale.

Assets in Level 3 devaluation:

- Financial assets 90 or more days overdue (past maturity);
- Financial assets marked as purchased or where credit devaluation of the financial assets has occurred (POCI);
- Financial assets whose counterparty has a CET1 capital ratio of less than 4.5%.

b) Matching of Initial and Final Balances for Adjustable Cost Items

Liabilities for banks and credit unions appraised at their current price – 31 Dec. 2023

As of 31 Dec. 2023 Thousands of CZK	(Level 1) 12-month ECL	(Level 2) Full-life ECL for financial assets that are not in credit devaluation (default)	(Level 3) Full-life ECL for financial assets that are in credit devaluation (default)	(POCI) Purchased or provided credit devaluated financial assets	Total
Balance as of 1 Jan. 2023	-	-	-	-	-

Reappraisals and exchange rate differences	-	-	-	-	-
Balance as of 31 Dec. 2023	-	-	-	-	-

Liabilities for banks and credit unions appraised at their current price – 31 Dec. 2022

As of 31 Dec. 2022 Thousands of CZK	(Level 1) 12-month ECL	(Level 2) Full-life ECL for financial assets that are not in credit devaluation (default)	(Level 3) Full-life ECL for financial assets that are in credit devaluation (default)	(POCI) Purchased or provided credit devaluated financial assets	Total
Balance as of 1 Jan. 2023	-	-	-	-	-
Reappraisals and exchange rate differences	-	-	-	-	-
Balance as of 31 Dec. 2023	-	-	-	-	-

Liabilities for non-bank subjects appraised at current value – 31 Dec. 2023

As of 31 Dec. 2023 Thousands of CZK	(Level 1) 12-month ECL	(Level 2) Full-life ECL for financial assets that are not in credit devaluation (default)	(Level 3) Full-life ECL for financial assets that are in credit devaluation (default)	(POCI) Purchased or provided credit devaluated financial assets	Total
Balance as of 1 Jan. 2023	-	-	(11 740)	-	(11 740)
Reappraisals and exchange rate differences	-	-	(584)	-	(584)
Balance as of 31 Dec. 2023	-	-	(12 324)	-	(12 324)

The nominal value of depreciated assets is 13,385,000 CZK, adjustable cost items created amount to 12,324,000 CZK.

During 2023, no significant changes to adjustable cost items occurred due to changes in the gross accounting value of financial assets.

Liabilities for non-bank subjects appraised at current value – 31 Dec. 2022

As of 31 Dec. 2022 Thousands of CZK	(Level 1) 12-month ECL	(Level 2) Full-life ECL for financial assets that are not in credit devaluation (default)	(Level 3) Full-life ECL for financial assets that are in credit devaluation (default)	(POCI) Purchased or provided credit devaluated financial assets	Total
Balance as of 1 Jan. 2022	-	-	(12 452)	-	(12 452)
Reappraisals and exchange rate differences	-	-	712	-	712
Balance as of 31 Dec. 2022	-	-	(11 740)	-	(11 740)

The nominal value of depreciated assets is 13,146,000 CZK, adjustable cost items created amount to 11,740,000 CZK.

During 2022, no significant changes to adjustable cost items occurred due to changes in the gross accounting value of financial assets.

c) Maximum Exposure to Credit Risk

As of 31 Dec. 2023 Thousands of CZK	Balance sheet	Off-balance sheet	Total credit risk exposure	Collateral provided	Main collateral type
Liabilities for banks and credit Unions	3 045 719	-	3 045 719	-	-
Liabilities for non-bank subjects	14 079	-	14 079	-	-
Other assets that are financial instruments and appraised at a fair value	131 769		131 769		
Other assets that are financial instruments and appraised at cur- rent value	7 070	-	7 070		
Total	3 198 637	-	3 198 637	-	-

As of 31 Dec. 2022 Thousands of CZK	Balance sheet	Off-balance sheet	Total credit risk exposure	Collateral provided	Main collateral type
Liabilities for banks and credit Unions	3 565 047	-	3 565 047	-	-
Liabilities for non-bank subjects	15 123	-	15 123	-	-
Other assets that are financial instruments and appraised at a fair value	198 269	-	198 269		
Other assets that are financial instruments and appraised at currentvalue	1 794	-	1 794		
Total	3 780 233	-	3 780 233	-	-

d) Concentration Based on Sector

As of 31 Dec. 2023 Thousands of CZK	Financial organizations	Non-financial organizations	Total
Liabilities for banks	3 045 719		3 045 719
Liabilities for non-bank subjects		14 079	14 079
Total	3 045 719	14 079	3 059 798

As of 31 Dec. 2022 Thousands of CZK	Financial organizations	Non-financial organizations	Total
Liabilities for banks	3 565 047		3 565 047
Liabilities for non-bank subjects		15 123	15 123
Total	3 565 047	15 123	3 580 170

e) Concentration Based on Geographic Area

As of 31 Dec. 2023 Thousands of CZK	Czech Republic	EU (not incl. Czech Rep.)	Total
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Liabilities for banks	1 587 674	1 458 045	3 045 719
Liabilities for clients	12 997	1 082	14 079
Total	1 600 671	1 459 127	3 059 798

As of 31 Dec. 2022 Thousands of CZK	Czech Republic	EU (not incl. Czech Rep.)	Total
Liabilities for banks	1 882 463	1 682 584	3 565 047
Liabilities for clients	13 274	1 849	15 123
Total	1 895 737	1 684 433	3 580 170

28 Currency Risk

Currency risk is the most noticeable market risk that the Company faces given the nature of its activities.

Currency risk is managed using the following:

- cautious and efficient management of open currency positions,
- setting stop/loss limits,
- setting and checking internal limits for maximum amounts for total open currency positions.

Currency positions for balance sheet and off-balance sheet items based on the main currencies are as follows:

As of 31 Dec. 2023 Thousands of CZK	EUR	USD	PLN	HUF	CZK	Other	Total
Cash on hand and central bank deposits	-	-	-	-	52	-	52
Liabilities for banks	1 867 103	514 935	35 466	189 948	227 336	210 931	3 045 719
Liabilities for non-bank subjects	41	3	477	540	13 011	7	14 079
Participations with controlling influence	653	-	-	-	14 907	-	15 560
Long-term tangible and intangible assets	-	-	-	-	112 558	-	112 558
Other assets	847	-	-	-	146 173	-	147 020
Expenditure and income for coming period	177	1	-	-	3 968	-	4 146
Total	1 868 821	514 939	35 943	190 488	518 005	210 938	3 339 134
Liabilities to banks	-	-	19	-	-	-	19
Liabilities to non-banks subjects	1 605 687	466 650	107 463	208 867	212 429	149 675	2 750 771
Other debts	12 674	418	732	2 098	172 176	1 998	190 096
Revenues and expenditure for coming period	-	-	-	-	205	-	205
Reserves	-	-	-	-	29 840	-	29 840
Ownership capital	-	-	-	-	368 203	-	368 203
Total	1 618 361	467 068	108 214	210 965	782 853	151 673	3 339 134

Long positions from FX spots and Deriva-tives	4 904 114	619 609	641 186	217 268	4 316 337	132 922	10 831 436
Short positions from FX spots and Deriva-tives	5 168 892	652 661	580 669	217 849	4 001 496	183 764	10 805 331
Net currency position	(264 778)	(33 052)	60 517	(581)	314 841	(50 842)	26 105
As of 31 Dec. 2022 Thousands of CZK	EUR	USD	PLN	HUF	CZK	Other	Total
Cash on hand and central bank deposits	-	-	-	2	25	-	27
Liabilities for banks	1 648 522	459 230	323 090	454 081	447 310	232 814	3 565 047
Liabilities for non-bank subjects	198	2	646	587	13 682	8	15 123
Participations with controlling influence	653	-	-	-	14 907	-	15 560
Long-term tangible and intangible assets	-	-	-	-	48 907	-	48 907
Other assets	322	1	32	-	207 457	-	207 812
Expenditure and income for coming period	-	-	-	-	2 590	-	2 590
Total	1 649 695	459 233	323 768	454 670	734 878	232 822	3 855 066
Liabilities to banks	-	-	-	-	-	1	1
Liabilities to non-banks subjects	2 025 322	533 478	120 753	185 588	150 345	142 157	3 157 643
Other debts	28 891	1 678	817	2 243	323 386	1 410	358 425
Revenues and expenditure for coming period	1	-	9	-	46	3	59
Reserves	-	-	-	-	23 425	-	23 425
Ownership capital	-	-	-	-	315 513	-	315 513
Total	2 054 214	535 156	121 579	187 831	812 715	143 571	3 855 066
Long positions from FX spots and Deriva-tives	4 225 675	426 475	470 654	178 599	3 711 449	139 899	9 152 751
Short positions from FX spots and Deriva-tives	3 824 831	344 329	692 972	453 518	3 574 328	228 779	9 118 757
Net currency position	400 844	82 146	(222 318)	(274 919)	137 121	(88 880)	33 394

The "Other" column includes the following currencies: GBP, CHF, SEK, AUD, JPY, CAD, DKK, RUB, NOK, CNY, RON, HRK (only for 2022) and TRY.

29 Credit Risk

The Company does not view credit risk to be significant and this mainly due to the fact that 96% of its total trades executed for clients consist of spot trades. Forward trades are usually repayable (mature) within three months.

30 Liquidity Risk

In the Company's case, liquidity is defined as the company's ability to fulfil its obligations to clients in a timely and due manner as relates to realization of currency conversions and payment transactions related thereto.

The Company has mechanisms in place that separate client funds from the company's operating funds.

The greater portion of spot/forward trades concluded are settled by the Company once the Company receives finances from clients to cover the trades. This means that trades which are not covered (backed) are not carried out; this in fact prevents liquidity risk within the Company. The exception is trades for clients who draw on a short-term credit line (the Company provides credit-based payment services within the scope of its payment institution license; said credits are payable within 1-2 business days), because, since 1 December 2016, AKCENTA CZ a.s. has offered eligible clients the possibility to draw on a short-term credit line.

a) Residual Contractual Maturity (Amounts Payable)

The following tables show the residual contractual maturity for financial liabilities:

As of 31 Dec. 2023 Thousands of CZK	Account. value	Non-dis- cret. monetary flows	In one month	1 - 3 months	3 months - 1 year	1 - 5 years	Over 5 years
Non-derivative liabilities							
Liabilities to banks and credit unions	19	19	19	-	-	-	-
Liabilities to non-bank subjects	2 750 771	2 750 771	2 750 771	-	-	-	-
Other debts that are financial instruments	56 267	56 267	19 590	1 229	3 338	23 229	8 881
Total	2 807 057	2 807 057	2 770 380	1 229	3 338	23 229	8 881
Derivative liabilities							
Instruments for trading:	(110 509)	(110 509)	(16 355)	(28 482)	(49 682)	(15 990)	-

As of 31 Dec. 2022 Thousands of CZK	Účetní hodnota	Nedisk. peněžní toky	Do 1 měsíce	Od 1 do 3 měsíců	Od 3 měsíců do 1 roku	Od 1 roku do 5 let	Nad 5 let
Non-derivative liabilities							
Liabilities to banks and credit unions	1	1	1	-	-	-	-
Liabilities to non-bank subjects	3 157 643	3 157 643	3 157 643	-	-	-	-
Other debts that are financial instruments	180 481	180 481	162 781	581	1 637	12 732	2 750
Total	3 338 125	3 338 125	3 320 425	581	1 637	12 732	2 750
Derivative liabilities							
Instruments for trading:	(154 347)	(154 347)	(10 679)	(22 245)	(87 327)	(34 096)	-

The balances shown in the tables above are calculated and reported on as follows:

Type of financial instrument	Means, requirements and reasons for determining residual contractual maturity
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Non-derivative financial instruments	Non-discounted monetary flows that include anticipated interest payments
Trade derivatives that the accounting unit has concluded with its customers	Contractual non-discounted monetary flows. The reason is that these derivatives are usually not concluded prior to the date of their contractual maturity. Therefore, the accounting unit believes that contractual maturity is critical to understanding the timing of cash flows tied to these derivatives.

31 Operational Risk

The Company defines operational risk as the risk of loss due to the influence of a lack, or failure, of internal processes, human resources or systems and the risk of loss of due to the influence of external factors: including risks arising as a result of breach of, or failure to fulfil, requirements in legal norms.

The process for managing operational risk in Company conditions is expressed in a summary of activities that are carried out regularly (on a quarterly basis). This includes mainly identification, assessment and monitoring of risk, in addition to checks on fulfilment of preventive and other measures meant to mitigate individual types of risk. These activities' outputs are recorded in the internal Risk Matrix document. Operational risk tied to Company activities are mitigated in Company conditions using:

- systemic support for all processes,
- thorough separation of the broker roles, trade settlement and trade accounting,
- configuration of user rights for all systems,
- standardization of work processes,
- multi-tier checks on processes with a quantitatively high impact on the profit and loss statement,
- application of 4-eye checks,
- expert supervision by the Compliance, Internal Audit and Risk Management Departments,
- back-up plans for handling extraordinary circumstances (events).

32 Fair Value

Appraisal methods

Appraisal methods include the following:

- net current value and models based on discount cashflows,
- comparisons with similar instruments for which there are observable prices,
- setting of fair values based on net accounting ownership capital (i.e., appraisal according to the daughter (subsidiary) company NAV).

Requirements and inputs

Requirements and inputs used in appraisal methods include the following:

- risk-free interest rates (levels),
- currency exchange rates,
- reference interest rates,
- swap rates,
- counterparty's credit risk,
- anticipated settlement dates.

Aim of appraisal method

The aim of the appraisal method is to establish a fair value that reflects the price obtained through an asset sale or paid for acquisition of an obligation as part of a standard transaction between market participants on

the day of appraisal.

Processes and controls (checks)

The accounting unit has set up a set of checks (controls) for fair value appraisal. The given controls include the following:

- verifying monitorable inputs and prices;
- cross-check model-based recalculation;
- checks and approval procedures for new appraisal models and changes thereto;
- analysis and investigation of significant daily differences in appraisals.

Financial instruments that are not reported at fair value in the balance sheet

Accounting values and fair values of financial assets and liabilities that are not reported at their real value in the accounting unit's balance sheet are shown in the table below:

As of 31 Dec. 2023 Thousands of CZK	Účetní hodnota	Reálná hodnota
Financial Assets		
1 Cash on hand and central bank deposits	52	52
3 Liabilities for banks and credit unions	3 045 719	3 045 719
4 Liabilities for non-bank subjects	14 079	14 079
8 Participations with controlling influence	15 560	n/a
11 Other assets that are financial tools	7 070	7 070
Financial Liabilities		
1 Liabilities to banks and credit unions	19	19
2 Liabilities to non-bank subjects	2 750 771	2 750 771
4 Other financial liabilities that are financial instruments	56 267	56 267
As of 31 Dec. 2022 Thousands of CZK		
Financial Assets		
1 Cash on hand and central bank deposits	27	27
3 Liabilities for banks and credit unions	3 565 047	3 565 047
4 Liabilities for non-bank subjects	15 123	15 123
8 Participations with controlling influence	15 560	n/a
11 Other assets that are financial tools	1 794	1 794
Financial Liabilities		
1 Liabilities to banks and credit unions	1	1
2 Liabilities to non-bank subjects	3 157 643	3 157 643
4 Other financial liabilities that are financial instruments	180 481	180 481

The accounting unit uses the following inputs and techniques to determine fair value:

Cash on hand and central bank deposits

Accounting value equals fair value. These financial assets are ranked at Level 1 in the fair value hierarchy.

Liabilities for banks and credit unions

Given the short maturity of these liabilities, their accounting value is closer to their fair value. These financial assets are ranked at Level 1 in the fair value hierarchy.

Liabilities for non-bank subjects

Estimates for the fair value of liabilities derive from discounted future expected cashflows while using the counterparty's no-risk interest rate and credit risk (assessment). For devalued credits (loans), we work with the current value of future expected cashflows including expected earnings from possible collateral realization (usage).

These financial assets rank at Level 3 in the fair value hierarchy.

Participations with controlling influence

Fair value for such investments into participations with controlling influence is impossible to determine in a reliable manner given that it involves non-liquid assets.

Finanční nástroje, které jsou v rozvaze vykázány v reálné hodnotě

The following table shows individual levels of fair value for financial assets and financial liabilities which are reported at their fair value in the balance sheet:

As of 31 Dec. 2023 Thousands of CZK		Level 1	Level 2	Level 3
Financial Assets				
11	Other assets – Positive fair value of derivatives	-	53 727	77 167
Financial Liabilities				
4	Other liabilities – Negative fair value of derivatives	-	48 978	61 375

As of 31 Dec. 2022 Thousands of CZK		Level 1	Level 2	Level 3
Financial Assets				
11	Other assets – Positive fair value of derivatives	-	153 405	44 389
Financial Liabilities				
4	Other liabilities – Negative fair value of derivatives	-	6 170	147 772

Transfers between Level 1 and Level 2

During 2023 and 2022, no transfers between Level 1 and Level 2 occurred.

Appraisal methods used and input quantities for Level 2 and Level 3

For derivatives, the fair value is determined based on the present value of the estimated cash flows resulting from transactions taking into account market inputs such as currency spot and forward rates, reference interest rates, swap rates, etc.

In certain currency forwards, presented in the previous overview as derivatives with Level 3 uncertainty appraisals, the settlement date is set as a framework estimate and authorizes the client to carry out the transaction either fully or partially at any time within the specified period. When determining estimated cashflow, the Company estimates the expected date of execution of the transaction by the client and the related transaction

volumes. These estimates have major influence on the determination of the value of the given derivative and there is a significant risk that the actual dates and volumes of trades will be different in subsequent accounting periods. The resulting profits or losses from these trades can therefore be (in the future) materially different from the estimated results that are reflected in determining fair value.

As of December 31, 2023, the Company determined these derivatives' fair value using an appraisal model based on the assumption of drawdown of derivatives in the middle (half) of their remaining lifecycle. According to the company, this approach reflects expectations for client behaviour corresponding to the variability of the timing of partial or full settlement of given trades. The company regularly tests and compares this model's assumptions against the real state of settlements for the given trades.

Derivative valuations are significantly sensitive to this variability. Should there be a shift in the estimated date of settlement for these derivatives, existing as of 31 Dec. 2023, from an assumed 50% lifetime to 40% / 60%, there would be a need to reduce/increase the unrealized profit from the re-appraisal of these derivatives by approximately 655,000 CZK.

33 Important Events After the Closing of the Accounting Report

As of the date of completing this financial report, there are no other significant subsequent events that are known to us that would impact this financial statement dated 31 December 2023. This also relates to the continuation of the Russian Federation's war against Ukraine which, on a global scale, could lead to the slowing down of economic growth or increases in inflationary pressure or even greater volatility on currency exchange markets. However, this will not have any negative influence on the Company's financial results thanks to measures taken to minimize exposure to subjects from Russia, Belarus and Ukraine.

Dispatched on 29 April 2024



Jacek Jurczynski

Stamp and signature
of the statutory body



Daniel Johanis

Person responsible
for accounting



Romana Mašíňová

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