ANNUAL REPORT 2024

WOOD & COMPANY FINANCIAL SERVICES, A.S.

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REPORT OF THE BOARD OF DIRECTORS

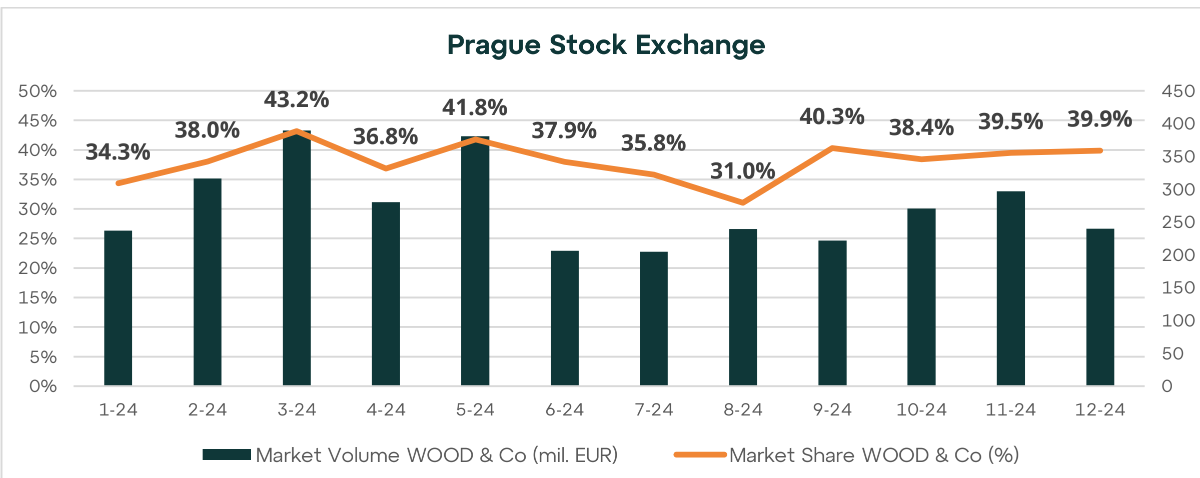
The Board of Directors of WOOD & Company Financial Services, a.s. (further referred to as the "Company" or "WOOD & Company") hereby submits this Board of Directors' Report on Business Activities for 2024.

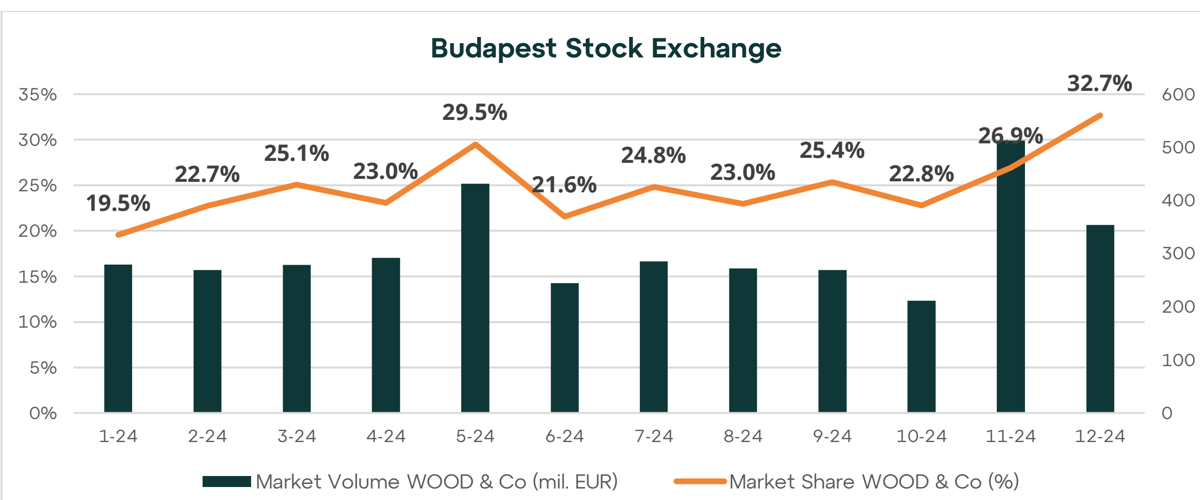
Company Performance in 2024

We have experienced another twelve months of dynamic development across both global markets and our Central European Region. Despite ongoing economic and geopolitical volatility, we have successfully realized several attractive investment opportunities and executed interesting transactions that will support our continued ability to deliver stable returns and meet the high expectations set by you, our investors and business partners.

Exchange Trading and Market Share

On the Central European stock exchanges, our Company once again reaffirmed its position as a strong and stable player. In 2024, our share on the Prague Stock Exchange exceeded 38%. In Hungary, our share reached almost 25%, and for the fourth consecutive year, our Company was awarded the title of Best Stock Trader with the highest turnover for the year at the "BÉT Legek" (Best of BSE) awards, organized by the Budapest Stock Exchange. We also reported interesting business volumes in Warsaw, Vienna and Bucharest.





Investment Banking and Transactions

Our Investment Banking department has been involved in many significant projects over the past year. On two occasions, we worked on Accelerated Book Building (ABB) transactions for COLT CZ Group, acting as sole global coordinator, settlement agent, and joint arranger in October 2024. In this transaction, 3.9 million shares were sold on the Prague Stock Exchange at a price of CZK 575, representing a total volume of CZK 2.24 billion. The sale represented 6.9% of the total volume of the company's shares following the capital increase through new shares.

Our Company also acted as co-global coordinator for Premier Energy's IPO on the main market of the Bucharest Stock Exchange, advising Premier Energy Romania and Emma Alpha Holding. With a transaction volume of approximately EUR 140 million, Premier Energy's IPO represents a key milestone for the Romanian capital market – being the second-largest IPO of a private company in Romania's history. The offer was met with strong interest from a diverse and high-quality range of institutional investors – both international and local – as well as the general Romanian public.

Wealth Management and Events of the Year

This year, as in previous years, we have greatly focused on the development of wealth management, especially on taking care of our clients and business partners. At the beginning of March, we hosted the 3rd Investment Conference of the WOOD & Company Group at the Municipal House in Prague. At the event, we presented the latest product innovations and investment opportunities to more than five hundred investors, and in the second part of the conference, we offered participants the opportunity to engage in specialised discussion groups.

At the beginning of December, we were pleased to organise the 13th annual Winter Wonderland conference. This unique event, hosted by WOOD & Company, brought together 141 companies with over three hundred representatives and nearly 200 investors from 89 investment houses. A total of 1,138 company meetings were held over the course of several days, underscoring the unique format and interest in the conference. The highlight of the programme was a meeting with the Polish Minister of Finance, who presented the macroeconomic outlook for 2025, with a focus on security, capital markets, and the Polish Presidency of the EU Council.

We place significant emphasis on offering a diverse range of products to our investors, such as interesting bond issues from KKIG Holding and products from our own group, including the sub-fund WOOD & Co. Logistics, primarily focused on the development of logistics projects, the sub-fund WOOD & Co. Residential, dedicated to residential development projects, and the sub-fund WOOD & Co. Renewables, aimed at renewable energy investments across Europe. We also consider investment in the renewable energy sector a key element of our long-term corporate social responsibility strategy, a commitment increasingly shared by our clients.

Portu Retail Platform

From January 2024, the Portu platform has been successfully spun off into a separate sister company, WOOD Retail Investments, licensed by the Czech National Bank. This strategic step gives the platform greater flexibility for further product development and expansion into new markets.

Outlook and Strategy

In the coming year, we aim to build on our key foundations – a strong presence in CEE markets, the ability to execute complex capital transactions, and a personalised approach to investors. We will continue to expand our product range across all segments – from institutional services to the Portu retail platform – while emphasising innovation, digitalisation, and sustainability. We believe that, even in a dynamic market environment, we can continue to deliver stable returns and create new opportunities for investors to grow their portfolios.

Prague, 28 April 2025

(signature)

Vladimír Jaroš
Chairman of the Board of Directors

COMPANY OVERVIEW

Company name:	WOOD & Company Financial Services, a.s. (the "Company")
Registered office:	Praha 1 – Nové Město, náměstí Republiky 1079/1a, postcode: 110 00

Identification number: 265 038 08
Legal form: joint stock company
Registered capital: CZK 445,500,000; paid up: CZK 445,500,000
Owner: WOOD & Company Group S.A.
Accounting period: 1 January 2024 – 31 December 2024
Auditor: Deloitte Audit s.r.o.

Key indicators for 2024:

- Net fees and commissions amounted to CZK 699 million.
- Net profit from financial operations from trading and investment activities amounted to CZK 163 million.
- Operating income amounted in total to CZK 848 million.
- Operating expenses amounted to CZK 758 million.
- Total equity as at 31 December 2024 amounted in total to CZK 971 million.

Scope of business:

Activities of securities brokers within the scope of main investment services:

a) under Section 4 (2) (a) of the Capital Markets Act: receiving and transmitting instructions regarding investment instruments,
in relation to investment instruments listed in Section 3 (1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) of the Act;
b) under Section 4 (2) (b) of the Capital Markets Act: executing instructions regarding investment instruments on the client's account, in relation to investment instruments listed in Section 3 (1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) of the Act;
c) under Section 4 (2) (c) of the Capital Markets Act: trading in investment instruments on one's own account, in relation to investment instruments listed in Section 3 (1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) of the Act;
d) under Section 4 (2) (d) of the Capital Markets Act: managing the client's assets, provided that such assets comprise investment instruments, at one's own discretion within the scope set out in the relevant agreement, in relation to investment instruments listed in Section 3 (1) (a), (b), (c), (d), (e), (f), (g), (j) and (k) of the Act;
e) under Section 4 (2) (e) of the Capital Markets Act: investment advice regarding investment instruments, in relation to investment instruments listed in Section 3 (1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) of the Act;
f) under Section 4 (2) (h) of the Capital Markets Act: subscribing or placing investment instruments which are to be subscribed, in relation to investment instruments listed in Section 3 (1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) of the Act;
g) under Section 4 (2) (i) of the Capital Markets Act: placing investment instruments which are not to be subscribed, in relation to investment instruments listed in Section 3 (1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) of the Act.

Activities of securities brokers within the scope of ancillary investment services:

a) under Section 4 (3) (a) of the Capital Markets Act: custody and management of the client's investment instruments, including safekeeping and related services, other than keeping accounts by central depositary or foreign central depositary, in relation to investment instruments listed in Section 3 (1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) of the Act;
b) under Section 4 (3) (b) of the Capital Markets Act: providing credit facilities or loans to clients in order to enable the execution of trades in investment instruments in which the credit facility or loan provider takes part, in relation to investment instruments listed in Section 3 (1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) of the Act;
c) under Section 4 (3) (c) of the Capital Markets Act: advising on capital structure, industry strategy, and related matters, and providing consultations and services related to company restructurings, transfers of enterprises, or acquisitions of property interests in business corporations, in relation to investment instruments listed in Section 3 (1) (a) of the Act;
d) under Section 4 (3) (d) of the Capital Markets Act: investment research, financial analyses, or other forms of general recommendations on trading in investment instruments, in relation to investment instruments listed in Section 3 (1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) of the Act;
e) under Section 4 (3) (e) of the Capital Markets Act: foreign exchange services related to the provision of investment services, in relation to investment instruments listed in Section 3 (1) (a) of the Act;
f) under Section 4 (3) (f) of the Capital Markets Act: services related to the subscription and placement of investment instruments, in relation to investment instruments listed in Section 3 (1) (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and (k) of the Act.

ADDITIONAL AUTHORISATIONS

i. Receiving funds or investment instruments from clients
ii. Conducting systematic internalization
iii. Authorization to organize public securities auctions

iv. Intermediary or other procurement activities for financial institutions domiciled in the European Union concerning the purchase of claims on documentary credits issued by banking entities in the Republic of Cuba
v. Asset administration comparable to management under Section 15 of Act No. 240/2013 Coll., on Investment Companies and Investment Funds, as amended
vi. Arrangement of deposits through the sale of deposit certificates and related advisory (Section 6 (a) (2))

GOVERNING BODY AND SUPERVISORY BOARD

BOARD OF DIRECTORS FROM 1 JANUARY 2024 TO 31 DECEMBER 2024

Ing. Vladimír Jaroš
Chairman of the Board of Directors since 3 November 2021

Vladimír has been with the group since 1994. In 1997, he assumed responsibility for managing WOOD & Company Financial Services. During this time, he was directly involved in numerous significant transactions across the region, including some of the largest privatisations in the telecommunications, energy, and banking sectors in the Czech Republic, Slovakia, and Poland.

Ing. Petr Musil
Vice-Chairman of the Board of Directors since 3 November 2021

Petr has been with WOOD & Company since 1995 and has managed the large Operations team, including its sub-divisions, as Chief of Operations since 2001. He leads business negotiations with professional counterparties providing infrastructure solutions for securities trading (banks, stock exchanges, central depositaries, custodians, suppliers, etc.), sets development priorities, establishes critical operational processes, and implements project solutions. In November 2021, he was appointed the Vice-Chairman of the Board of Directors of WOOD & Company.

Ing. Petr Beneš
Member of the Board of Directors since 3 November 2021

Petr has been with the WOOD & Company Group since 2015 as General Sales Manager. He oversees the Company's business strategy (distribution, products, customer care), client acquisition and retention, management and cooperation with WOOD & Company's distribution network, and coordination with the marketing department. In November 2021, he became a member of the Board of Directors of WOOD & Company, focusing primarily on sales-related matters.

Ing. Ondřej Jedlička
Member of the Board of Directors since 3 November 2021

Ondřej has been with WOOD & Company since 2015 as Chief Financial Officer. He manages the Group's financial operations, liquidity and financing, oversees tax management and compliance across jurisdictions, statutory audits, consolidated financial statements, regulatory financial reporting, and internal management reporting. In November 2021, he joined the Board of Directors of WOOD & Company, focusing on finance-related matters.

Mgr. Jan Teplý
Member of the Board of Directors since 27 November 2023

Jan has been with WOOD & Company since 2021. Throughout his career, he has specialized as a lawyer for regulated institutions across various sectors of the financial market. He manages the compliance function and communicates with regulators. He leads the Compliance & AML department, which is responsible for monitoring new legislation, implementing changes, and reviewing ongoing processes. Internal consultations, opinion development, and employee training within the Group are also key aspects of his role.

Ing. Zuzana Mora
Member of the Board of Directors since 15 November 2023

Zuzka has been with WOOD & Company since 2007. She has worked in several departments, including Middle office, Trading, and currently Sales and Sales Trading. Over the past 13 years, Zuzka has worked with both international and local institutional clients, such as mutual and pension funds, hedge funds, family offices, and local banks. In November 2023, she joined the Board of Directors of WOOD & Company.

There were no changes in the Board of Directors of the Company in the relevant period.

SUPERVISORY BOARD OF THE COMPANY FROM 1 JANUARY 2024 TO 31 DECEMBER 2024

Ing. Ľubomír Šoltýs
Vice-Chairman of the Supervisory Board since 3 November 2021

Ing. Jan Sýkora
Chairman of the Supervisory Board since 3 November 2021

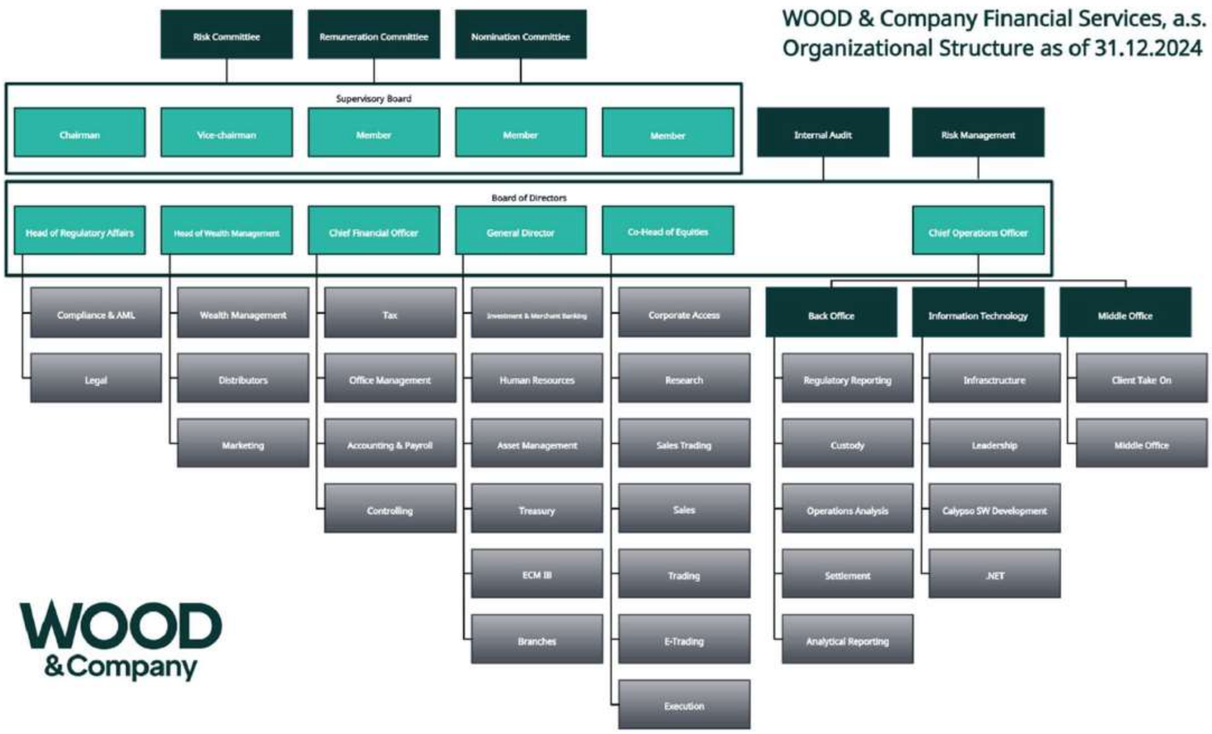
Marek Herold
Member of the Supervisory Board since 3 November 2021

Mgr. Vojtěch Láska, LL.M.
Member of the Supervisory Board since 3 November 2021

Ing. Lucie Bergerová
Member of the Supervisory Board since 13 October 2023

There were no changes in the Supervisory Board of the Company in the relevant period.

Organisational Structure of the Company



Company Profile

This Annual Report 2024 is submitted on behalf of WOOD & Company Financial Services, a.s., identification number: 26503808, registered office: náměstí Republiky 1079/1a, 110 00 Prague 1, Czech Republic (the "Company"). The Annual Report for the year 2024 has been prepared with all the prerequisites stipulated by the applicable legal regulations, particularly Act No. 563/1991 Coll., on Accounting, as amended (the "Act on Accounting"), Act No. 90/2012 Coll., on Business Corporations, Act No. 256/2004 Coll., on Business Activities on the Capital Market (the "Capital Markets Act"), Decree No. 501/2002 Coll., Implementing Certain Provisions of Act No. 563/1991 Coll., on Accounting, as amended, for Accounting Units That Are Banks and Other Financial Institutions, Decree No. 163/2014 Coll., on Performance of Activities of Banks, Credit Unions and Securities Brokers, and Decree No. 427/2013 Coll., on Submission of Statements by Securities Brokers. The Company is registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 7484.

Research and Development Costs

In 2024, the Company invested CZK 7.1 million in the field of information technologies.

Branches

The Company has branches in the following countries:

- WOOD & Company Financial Services Romania, registered office: Lamda Office Building, 7A Sos. Bucuresti-Ploiesti 013682 Bucharest 1
- WOOD & Company Financial Services Poland, registered office: Centrum Marszałkowska, 7th floor, ul. Marszałkowska 126/134, 00-008 Warsaw
- WOOD & Company Financial Services Slovakia, registered office: Gorkého 4, 811 01 Bratislava
- WOOD & Company Financial Services Italy, registered office: Via Luigi Settembrini 35, 20124 Milan
- WOOD & Company Financial Services Ireland, registered office: 50-56 Merrion Road, Dublin D04 V4K3

As at 31 October 2024, WOOD & Company Financial Services United Kingdom, registered office: 16 Berkeley Street, London W1J 8DZ, ceased to exist. Its activities were transferred to the newly established WOOD & Company Financial Services Ltd.

Activity in the area of environmental protection and labour law relations

Due to its scope of business, the Company is not considered to be a significant polluter of the environment. The Company complies with legal requirements for environmental protection, health and safety at work, and has implemented projects and procedures aimed at improving the environment as well as employee health care.

Acquisition of treasury shares

The Company did not acquire any treasury shares.

Risk management

The Risk Management Department sets the main policies, strategies, and procedures (including policies for hedging all major types of planned transactions using hedging derivatives) applied by the Company in risk management. This includes particularly the process of identifying risks arising from individual activities, work processes, and systems, including operational risks; analysing the risk level acceptable by the securities broker; defining risk owners and persons responsible for risk management and monitoring. The Risk Management Department addresses, develops, and proposes risk management methods, determines the duties of individual members of the governing body, the Supervisory Board, and employees with respect to risk management within the Company. It evaluates the success, adequacy, and effectiveness of the applied risk management methods, and implements any necessary changes. In addition, the Risk Management Department sets control mechanisms to protect the risk management system from failure, particularly regarding individual investment instruments, markets, and counterparties executing trades with WOOD & Company Financial Services, a.s. It reviews the Company's positions as well as the overall open positions with customers, and monitors compliance with position limits and capital adequacy.

The Risk Management Department selects procedures to identify, measure, monitor, and limit risks; procedures to determine the fair value of instruments, and a set of limits used in risk management, including procedures to be followed in case limits are exceeded. It also determines the obligations of employees involved in the investment process regarding compliance with the set limits.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee is a permanent team consisting of at least four members: the Company's CEO, the Risk Manager, the Head of Operations, and the Head of Finance. Other department heads may be invited to attend Committee meetings based on the agenda. The Chairman of the Risk Management Committee is the Company's CEO. In his absence, the meetings are chaired by the Risk Manager. The members of the Committee are appointed and recalled by the Company's CEO based on a proposal from the Board of Directors. The Risk Management Committee meets irregularly to address ad hoc issues. Meetings may be convened by any member of the Committee or any member of the Board of Directors. Minutes are taken to document the conclusions of each meeting, and the Risk Manager supervises their compliance. Decisions at the meetings of the Risk Management Committee are made by a simple majority vote. In case of a tie, the Chairman's vote prevails. The Chairman has the right to veto any item on the agenda or any decision. At the recommendation of the Risk Management Committee, the CEO may order immediate implementation of a decision by any organisational unit of the Company, except the Internal Audit.

Risks monitored and managed in the Company are as follows:

a) strategic risk
b) group operations
c) capital adequacy risk
d) operational risk
e) risk of human error
f) market (commercial) risk
g) credit risk
h) liquidity risk
i) interest rate risk
j) currency risk
k) financial risk
l) legal, regulatory and tax risk
m) concentration risk
n) outsourcing risk
o) excessive leverage risk

MARKET RISK MANAGEMENT

For a securities broker, this is the most significant risk. For the Company, market risk refers to any potential loss that may occur:

- due to the overall market situation, market sentiment, or emergency;
- from a position held (taken) in any investment instrument, in the event of an unfavourable movement in market prices;
- from a position taken with respect to a client transaction, if such a transaction is not duly documented, or if it is challenged by the client.

Market risks arise mainly from business transactions which represent a liability, future liability, receivable, or future receivable for the Company.

Based on the type of investment instrument and changing market prices, the Company categorises the market risks as follows:

- price risk,
- counterparty risk.

Price risk

Price risk is managed through a structure of limits for individual departments, specifically for individual markets or investment instruments. Any changes to the limits are proposed by the Risk Manager or the Board of Directors and approved by the Board of Directors or the Company's CEO. The limits are set based on trading volumes executed in previous periods across individual segments, as well as the volatility and liquidity of markets and instruments.

Price risk is monitored daily using the Value at Risk (VaR) model. Any breach of the limits is reported to the Head of Trading and the Company's CEO.

Counterparty risk

Counterparty parameters are set based on the account opening procedure. The Company obtains and analyses selected information about the counterparty, and the counterparty provides the Company with its financial statements, based on which the counterparty's creditworthiness is internally assessed (the so-called counterparty self-assessment) and an internal limit is assigned. The Company may also use an external rating if it has been assigned by a reputable rating agency (Moody's, Standard & Poor's, Fitch, Czech Rating Agency, etc.).

Based on this assessment, as well as subsequent experience with the counterparty, the client is assigned a limit on the total open position. The assigned limit is determined by the type of counterparty, its rating, equity, estimated trade volumes, reliability in the settlement of trades, and the Company's ability to finance or conclude outstanding trades with the counterparty in the event of the counterparty's non-compliance.

In general, a loss from a certain market position within a specified period can be quantified as:

Potential loss = unsettled position * adverse change in market price

The main risk is that the market situation, conditions, or price will develop in an unfavourable direction, deviating from expectations.

This type of risk is covered by the Company's capital.

CREDIT RISK MANAGEMENT
The Company provides unsecured loans within the WOOD Group and to other entities. As at the end of 2024, the total loan principal was CZK 918 million (loans within the Group were CZK 192 million, loans to other entities CZK 726 million). The collateral valuation and risk assessment for these loans, as well as the repayment status and individual debtor situations, are monitored by the Corporate Finance Department. Repayment is also supervised by the Board of Directors. The decision to grant loans is made solely by the Board of Directors.

The Company also provides loans to clients in the form of reverse repo transactions, where a loan is granted only if secured (covered) by the client's investment instruments, the value of which must exceed the loan amount at all times. As at 31 December 2024, the total value of repo/buy-sell transactions amounted to CZK 1,693 million. The Company has established limits on loans in the form of repo transactions. Activities related to providing client loans are handled by brokers. Employees of the Risk Management Department check the amounts daily against the set limits and the aggregate loan limit of the Trading Department. The repayment of loans is monitored by the Risk Management Department. The Internal Audit Department also conducts reviews and submits its findings to the Company's CEO.

The characteristics of the Company's performance and the future outlook are included in the Report of the Board of Directors.

Quantitative indicators:

Indicator	2024	2023
Return on assets – ROAA *(Ebit / Total assets excluding client assets – avg.)*	4%	4%
Return on equity – ROAE *(Profit after tax / Equity – avg.)*	7%	6%
Indebtedness I *(Total debt excluding client assets / Total assets excluding client assets)*	83%	82%
Indebtedness II *(Total debt excluding client assets / Equity)*	494%	446%
Return on sales *(Profit after tax / Income from fees and commissions)*	6%	5%
Administrative costs per employee *(in CZK thousands)*	3,540	2,989
Return on assets ***(Net profit/ total assets)***	1%	1%

This Annual Report is available for inspection at the Company's registered office, where a copy can also be obtained, and has been published in a manner that allows remote access at www.wood.cz.

Regulatory capital and capital requirements

Indicator	In CZK thousands
Total capital	835,257
Capital requirement	439,734
Permanent minimum capital requirement	18,889
Fixed overhead requirement	187,718
K-Factor requirement	439,734

Information on the contribution to the Guarantee Fund

Calculation of the contribution to the Guarantee Fund of Securities Brokers

Description	In CZK thousands
Income from fees and commissions for 2024	1,071,230
Rate	2%
Total contribution	21,425

Subsequent events

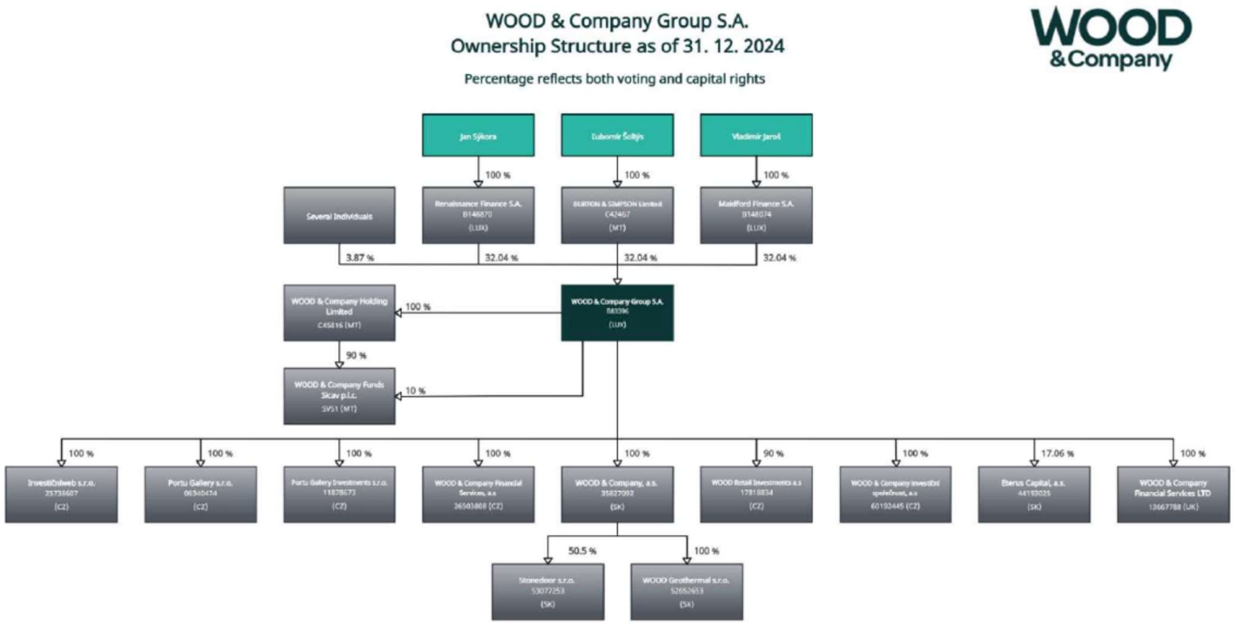
There were no other significant events after the date of the financial statements that would have a material impact on the financial statements for the year ended 31 December 2024.

Report on Relations between Related Parties under Section 82 of Act No. 90/2012 Coll., the Business Corporations Act

WOOD & Company Financial Services, a.s., registered office: náměstí Republiky 1079/1a, Prague 1, identification number: 265 03 808, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 7484, (the "**Submitter**") is part of an entrepreneurial group in which the following relations exist between the Submitter and the controlling entity (the "**Controlling Entity**"), as well as between the Submitter and the parties controlled by the same Controlling Entity (the "**Related Parties**").

This Report on Relations between the parties listed below has been prepared in compliance with Section 82 and following of Act No. 90/2012 Coll., on Business Companies and Cooperatives, as amended (the "**Business Corporations Act**"), for the accounting period from 1 January 2024 to 31 December 2024 (the "**Accounting Period**"). In the Accounting Period, the Submitter and the parties listed below entered into the following agreements, performed the following legal acts, and took other relevant measures.

1 CONTROLLING ENTITY AND RELATED PARTIES



1.1 CONTROLLING ENTITY

WOOD & Company Group S.A., registered office: 17 boulevard F.W. Raiffeisen L – 2411, Luxembourg, registration number: B83396

1.2 RELATED PARTIES

WOOD & Company investiční společnost, a.s., registered office: náměstí Republiky 1079/1a, 110 00 Prague 1, Czech Republic, identification no.: 601 92 445

Portu Gallery s.r.o., registered office: náměstí Republiky 1079/1a, 110 00 Prague 1, Czech Republic, identification no.: 063 40 474

Portu Gallery Investments s.r.o., registered office: náměstí Republiky 1079/1a, 110 00 Prague 1, Czech Republic, identification no.: 118 78 673

Investičníweb s.r.o., registered office: náměstí Republiky 1079/1a, 110 00 Prague 1, Czech Republic, identification no.: 257 38 607

WOOD Retail Investments a.s., registered office: Jihlavská 1558/21, Michle, 140 00 Prague 4, Czech Republic, identification no.: 178 18 834

Wood & Company, a.s., registered office: Gorkého 4, 811 01 Bratislava – Staré mesto, Slovak Republic, identification no.: 358 27 092

Stonedoor s. r. o., registered office: Gorkého 4, 811 01 Bratislava – Staré mesto, Slovak Republic, identification no.: 53 077 253

WOOD Geothermal s. r. o., registered office: Gorkého 131/4, 811 01 Bratislava – Staré Mesto, Slovak Republic, identification no.: 52 652 653

Eterus Capital, a.s., registered office: Gorkého 4, 811 01 Bratislava – Staré Mesto, Slovak Republic, identification no.: 44 193 025

WOOD & COMPANY FINANCIAL SERVICES LTD, registered office: 16 Berkeley Street, London, United Kingdom of Great Britain and Northern Ireland, registration no.: 136 67 788

WOOD & Company Holding Limited, registered office: The Bastions Office No. 2, Emvin Cremona Street, FLORIANA FRN 1281, Malta, registration no.: C45816

WOOD & Company Funds SICAV p.l.c., registered office: TG Complex, Suite 2, Level 3, Brewery Street, Birkirkara BKR 3000, Malta, registration no.: SV51

2 STRUCTURE OF RELATIONS BETWEEN RELATED PARTIES, ROLE OF THE CONTROLLED ENTITY, METHOD AND MEANS OF CONTROL

In the above period, the Submitter was controlled by WOOD & Company Group S.A., registered office: 17 boulevard F.W. Raiffeisen, L-2411, Luxembourg. The structure of relations is provided in Section 2 of this Report.

WOOD & Company Group S.A. controls the Submitter as its sole shareholder, holding 100% of the voting rights and exercising the powers of the Submitter's General Meeting. The General Meeting is the Submitter's supreme body. Its powers include, among other things, the election of members of the Supervisory Board and members of the Board of Directors. The Submitter's Board of Directors exercises its powers with due care and diligence, and is liable for its activities to the extent set out in the relevant legal regulations of the Czech Republic.

Although the shareholding interests of the Controlling Entity are owned by its shareholders, none of its shareholders is an entity exercising indirect control within the meaning of the Business Corporations Act. This means that the Submitter is directly controlled only by the Controlling Entity – WOOD & Company Group S.A. None of the Controlling Entity's shareholders is, within the Controlling Entity, a majority shareholder under Section 74 (3) of the Business Corporations Act; or a person authorised to appoint or remove a majority of the members of the Controlling Entity's governing body; or a person in a similar position within the meaning of Section 75 (1) of the Business Corporations Act. None holds a share in the voting rights representing at least 40 % of all votes in the Controlling Entity under Section 75 (2) of the Business Corporations Act, or, jointly with another person, a share in the voting rights representing at least 40 % in the Controlling Entity under Section 75 (3) or Section 78 of the Business Corporations Act. Furthermore, at the last three consecutive meetings of the Controlling Entity's supreme body, none of its shareholders held a share representing more than half of the voting rights of the persons present, as per Section 75 (4) of the Business Corporations Act.

The role of the Submitter is to conduct business activities within the above entrepreneurial group, specifically the activities of a securities broker, within the scope of its main and ancillary investment services.

3 ACTIONS TAKEN IN THE ACCOUNTING PERIOD AT THE INITIATIVE OR IN THE INTEREST OF THE CONTROLLING ENTITY OR THE RELATED PARTIES CONCERNING ASSETS EXCEEDING 10 % OF THE SUBMITTER'S EQUITY

Under Section 82 (2) (d) of the Business Corporations Act, the Submitter is required to include in the Report on Relations a summary of actions taken in the Accounting Period at the initiative or in the interest of the Controlling Entity or the Related Parties, where such actions involved assets exceeding 10 % of the Submitter's equity, as determined from the financial statements for the accounting period immediately preceding the Accounting Period (i.e. exceeding 10 % of the Submitter's equity as per the financial statements for 2023).

The Submitter's equity according to the financial statements for 2023 amounted to approximately CZK 949,926,000 as at 31 December 2023. The 10 % limit of the Submitter's equity, based on the financial statements for 2023, therefore amounted to approximately CZK 94,992,600 (the "**Limit**").

In 2024, the Submitter provided several loans to the Controlling Entity, WOOD & Company Group S.A., under the Facility Agreement. The total value of those loans exceeded the above Limit. As at 31 December 2024, the provided loans amounted to approximately CZK 177,554,000 (excluding interest) and CZK 11,700,000 (excluding interest).

Also in 2024, under the Framework Facility Agreement, a related party, WOOD & Company investiční společnost, a.s., provided the Submitter with a total of 18 loans for consumption *(in Czech: zápůjčka)*. Their overall amount for 2024 was approximately CZK 282 million. As at 31 December 2024, the Submitter had fully repaid all the provided loans for consumption.

4 OVERVIEW OF AGREEMENTS BETWEEN THE SUBMITTER AND THE CONTROLLING ENTITY OR THE RELATED PARTIES

4.1 Between the Submitter and the Controlling Entity

Name of agreement	Subject-matter of agreement	Date of agreement
Facility Agreement	The Controlling Entity as the borrower and the Submitter as the lender (in EUR)	18 October 2022
Facility Agreement	The Controlling Entity as the borrower and the Submitter as the lender (in CZK)	7 November 2022

4.2 Between the Submitter and the Related Parties

Name of agreement	Subject-matter of agreement	Date of agreement
Distribution Agreement	The Submitter (as Distributor) distributes mutual funds for WOOD & Company, investiční společnost, a.s.	23 November 2023
Outsourcing Agreement	Outsourcing of selected activities of the securities broker performed by the Submitter for WOOD Retail Investments, a.s.	1 January 2024
Amendment No. 1 to the Distribution Agreement of 23 November 2023	Update of the agreed distribution of open-end mutual funds administered by WOOD & Company, investiční společnost, a.s.	1 January 2024
Sub-distribution Agreement	WOOD Retail Investments a.s. ensures the distribution of selected investment products for the Submitter	1 January 2024
Agreement for Financial Transactions	Agreement for financial transactions with WOOD Retail Investments a.s.	1 January 2024

5 ASSESSMENT OF WHETHER THE CONTROLLED ENTITY SUFFERED ANY DAMAGE, AND ASSESSMENT OF ITS SETTLEMENT UNDER SECTIONS 71 AND 72 OF THE BUSINESS CORPORATIONS ACT

The Submitter's Board of Directors has reviewed the legal relations between the Submitter, the Controlling Entity, and the Related Parties, including agreements and other legal acts or measures performed or taken by the Submitter in the interest or at the initiative of individual Related Parties or the Controlling Entity, and has assessed that the Submitter suffered no damage from its position in the Accounting Period.

6 ADVANTAGES AND DISADVANTAGES OF INVOLVEMENT IN AN ENTREPRENEURIAL GROUP

The advantages of the Submitter's involvement in the above-mentioned entrepreneurial group include the use of the WOOD & Company brand, and the reputational benefits of synergies within the group, joint negotiations with suppliers, and resulting economies of scale.

A potential disadvantage is the more complex administrative and organisational structure of an international entrepreneurial group, and the spillover of reputational risks from one company to another.

Overall, the advantages of the Submitter's inclusion in the WOOD & Company Group outweigh the potential risks and disadvantages, which are managed at the level of the individual companies within the group.

This Report was discussed and approved by the Board of Directors of WOOD & Company Financial Services, a.s. on 31 March 2025.

(signature)

Vladimír Jaroš
Chairman of the Board of Directors
WOOD & Company Financial Services, a.s.

INDEPENDENT AUDITOR'S REPORT – WOOD & COMPANY FINANCIAL SERVICES, A.S.

(logo:)
Deloitte

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Registered with the Municipal Court
in Prague, Section C, File 24349
Identification number: 49620592
Tax identification number: CZ49620592

INDEPENDENT AUDITOR'S REPORT
For the shareholders of
WOOD & Company Financial Services a.s.
Registered office: náměstí Republiky 1079/la, Nové Město, 110 00 Prague 1

The auditor's statement

We have audited the attached financial statements of WOOD & Company Financial Services a.s. (the "Company"), prepared in compliance with the IFRS Accounting Standards, as adopted by the European Union, which consist of the statement of financial position as at 31 December 2024, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year ended on that date, and the notes to the financial statements, including substantial (material) disclosures on the applied accounting methods.

In our opinion, the attached financial statements give a true and fair view of the financial position of WOOD & Company Financial Services a.s. as at 31 December 2024, and its financial performance and cash flows for the year ended on that date, in compliance with the IFRS Accounting Standards, as adopted by the European Union.

The basis for the statement

We have performed the audit in compliance with the Act on Auditors and the auditing standards issued by the Chamber of Auditors of the Czech Republic, i.e. the International Standards on Auditing (ISA), as supplemented and amended by the relevant implementation provisions, where applicable. Our responsibility under these regulations is outlined in more detail below in the section "Auditor's responsibility for the audit of the financial statements". In compliance 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 we meet our other ethical obligations arising from those regulations. We believe that the evidentiary information we have obtained provides sufficient and appropriate basis for our statement.

Other facts

The Company's financial statements for the period from 1 January 2023 to 31 December 2023 were audited by a different auditor who issued a statement of no reservations to those financial statements on 29 April 2024.

Other information provided in the annual report

Under Section 2 (b) of the Act on Auditors, "other information" refers to information provided in the annual report other than the financial statements and our Auditor's Report. This "other information" is the responsibility of the Company's Board of Directors.

Our statement on the financial statements does not extend to the other information. However, our obligation to review the financial statements requires us to get acquainted with that other information and assess whether there is any substantial (material) inconsistency between the other information and the financial statements or our understanding of the accounting unit acquired in the course of our review of the financial statements, or whether such information appears to be otherwise substantially (materially) inaccurate. We also assess whether such other information was in all substantial (material) respects prepared in compliance with applicable legal regulations. This assessment effectively means that we ascertain whether such other information complies with the legal requirements as regards the formal essentials and procedures to be applied in preparation of such other information within the context of their substantial (material) nature, i.e. whether a potential failure to comply with those requirements might affect the conclusion made on the basis of such other information.

In view of the procedures applied and to the extent that we are able to assess, we state that:

- The other information, which describes the facts that are also reflected in the financial statements is, in all substantial (material) respects, consistent with the financial statements.
- The other information was prepared in compliance with applicable legal regulations.

We are also obliged to state whether, in view of the knowledge and understanding of the Company that we have acquired in the course of performance of the audit, the other information contains any substantial (material) factual inaccuracies. Within those procedures, we have not ascertained any substantial (material) factual inaccuracies in the other information provided.

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Responsibility of the Company's Board of Directors and Supervisory Board for the financial statements

The Company's Board of Directors is responsible for the preparation of financial statements that give a true and fair view of the actual state of things in compliance with the IFRS Accounting Standards, as adopted by the European Union, and for such internal control system which is deemed necessary for the preparation of financial statements without any substantial (material) inaccuracies caused by fraud or error.

In the course of preparation of the financial statements, the Company's Board of Directors shall consider whether the Company is capable of continuous existence and, where applicable, disclose in the notes to the financial statements any matters regarding its continuous existence and application of the assumption of its continuous existence in the preparation of the financial statements, except in cases when the Board of Directors plans to wind up the Company or otherwise discontinue its activities or has no other real option but to do so.

Supervision over the process of keeping the Company's accounting records is the responsibility of the Supervisory Board.

Auditor's responsibility for the audit of the financial statements

We aim to ascertain with reasonable certainty that the financial statements as a whole do not contain any substantial (material) inaccuracies caused by fraud or error, and issue an auditor's report containing our statement. A "reasonable certainty" means a great degree of certainty. However, it is not a guarantee that the audit performed in compliance with the above regulations always ascertains every potential substantial (material) inaccuracy existing in the financial statements. Inaccuracies may arise as a result of fraud or error, and are deemed substantial (material), if it can be reasonably expected that they might, individually or together, affect the economic decisions made by the users of the financial statements in reliance thereon.

In the entire course of the audit conducted in compliance with the above regulations, we are obliged to exercise professional judgment and maintain professional scepticism. We are also required to:

- Identify and assess the risks of substantial (material) inaccuracies of the financial statements caused by fraud or error, propose and perform auditing procedures in reaction to such risks, and obtain sufficient and appropriate evidentiary information as a basis for our statement. The risk of a failure to identify substantial (material) inaccuracy caused by fraud is higher than the risk of a failure to identify substantial (material) inaccuracy caused by error, as a fraud might include secret agreements (collusions), forgeries, deliberate omissions, untrue representations, or avoidance of internal controls.
- Get acquainted with the internal control system of the Company to the extent relevant for the audit, i.e. in order to propose auditing procedures appropriate to the existing circumstances, not in order to express an opinion on the effectiveness of the internal control system.
- Assess the suitability of the applied accounting methods, the appropriateness of the accounting estimates made, and the information provided in this context in the notes to the financial statements by the Company's Board of Directors.
- Assess the suitability of application of the assumption of continuous existence in the preparation of the financial statements by the Board of Directors, and the fact whether, in view of the obtained evidentiary information, there is any substantial (material) uncertainty arising from the events or conditions which might substantially challenge the Company's ability of continuous existence. If we come to the conclusion that such substantial (material) uncertainty exists, we shall be obliged to point out in our report the information provided in this context in the notes to the financial statements and, if such information is not sufficient, issue a modified statement. Our conclusions regarding the Company's ability of continuous existence are based on the evidentiary information obtained by the date of our report. However, future events or circumstances might cause the Company to lose its ability of continuous existence.
- Evaluate the whole presentation, structure and content of the financial statements, including the notes, and the fact whether the financial statements record the underlying transactions and events in a manner which provides their true and fair view.

We are obliged to inform the Board of Directors and the Supervisory Board, among other things, about the planned scope and time of the audit, and about substantial findings made in the course of the audit, including the ascertained substantial deficiencies of the internal control system.

Prague, 28 April 2025

Auditing company:	Statutory auditor:
Deloitte Audit s.r.o. Registration number: 079	David Batal Registration number: 2147
(signature)	*(signature)*

FINANCIAL STATEMENTS – WOOD & COMPANY FINANCIAL SERVICES, A.S.

WOOD & COMPANY FINANCIAL SERVICES, A.S.
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

in accordance with the IFRS Accounting Standards,
as adopted by the European Union

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 In CZK thousands	31 December 2023 In CZK thousands
Interest income calculated using the effective interest method		113,632	144,552
Interest expense calculated using the effective interest method		-122,048	-138,319
Net interest income	**6**	**-8,417**	**6,233**
Other financial income		7,321	13,772
Other financial costs		-3,936	-9,594
Net other financial income	**7**	**3,385**	**4,178**
Fee and commission income		1,071,230	846,663
Fee and commission expense		-372,149	-265,752
Net fee and commission income	**8**	**699,080**	**580,911**
Net profit from financial operations	9	162,570	109,096
Other operating income/expenses, net	10	-8,956	55,489
Total operating revenues		**847,662**	**755,908**
Administrative costs	11	-707,965	-638,663
Depreciation and amortisation	11, 19	-49,604	-45,491
Total operating expenses		**-757,569**	**-684,154**
Profit/(loss) before tax		**90,093**	**71,754**
Income tax expense	12	-24,448	-17,578
Deferred tax	12	1,600	95
Net profit for the period from continuing operations		**67,245**	**54,271**
Net profit/(loss) for the period from discontinued operations	28	0	-251
Net profit/(loss) for the period		**67,245**	**54,020**

Other comprehensive income		
Items that can be reclassified to income (or expenses) in the future:		
Conversion of foreign operations into the reporting currency	125	1,749
Other comprehensive income for the accounting period after tax	**125**	**1,749**
Total comprehensive income	**67,370**	**55,769**

The tax impact of other comprehensive income items is immaterial and therefore not separately disclosed.

The Notes are an integral part of these individual financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	31 December 2024 In CZK thousands	31 December 2023 In CZK thousands
ASSETS			
Current assets			
Cash and bank balances	13	306,037	289,300
Financial assets held for trading	14	172,360	149,908
Other financial assets at fair value through profit or loss	17	538,257	481,942
Trade and other receivables	15	4,573,567	4,030,392
Income tax receivables	12	0	0
Deferred charges and income and other assets	16	21,197	21,010
Assets held for distribution to owners and discontinued operations	28	0	49,886
Total current assets		**5,611,417**	**5,022,439**
Non-current assets			
Long-term receivables	18	6,965	7,322
Deferred tax asset	12	1,941	342
Intangible assets, net	19	66,290	69,014
Property, plant and equipment, net	19	83,217	86,012
Total non-current assets		**158,413**	**162,690**
Total assets		**5,769,830**	**5,185,130**
EQUITY AND LIABILITIES			
Capital and funds			
Share capital	20	445,500	445,500
Reserve fund from profit		15,293	15,293
Retained earnings / (accumulated loss)	21	442,307	434,850
Profit / (loss) for the current period		67,244	54,020
Fund from revaluation of foreign operations		388	263
Total capital and funds		**970,732**	**949,926**
Liabilities from issued debt securities	27	0	0
Liabilities from lease agreements	24	41,983	55,704
Provision	26	5,242	4,611
Equity and long-term liabilities		**1,017,957**	**1,010,241**
Current liabilities			
Amounts owed to banks	23	482,760	230,293
Financial liabilities held for trading	14	107,926	99,064
Trade and other payables	22	4,123,049	3,826,003
Lease liabilities	24	20,891	9,407
Accruals and other liabilities	25	490	459
Income tax payables		16,758	5,984
Liabilities related to assets held for distribution to owners and discontinued operations	28	0	3,679
Total current liabilities		**4,751,873**	**4,174,889**
Total equity and liabilities		**5,769,830**	**5,185,130**

The Notes are an integral part of these individual financial statements.

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

	Share capital In CZK thousands	Reserve fund from profit In CZK thousands	Share/option scheme capital fund In CZK thousands	Retained earnings/loss In CZK thousands	Revaluation fund In CZK thousands	Total equity In CZK thousands
Note	**20**	**21**		**20**		
As at 1 January 2023	**445,500**	**15,293**	**0**	**434,849**	**-1,487**	**894,156**
Profit / loss from revaluation of foreign operations	0	0	0	0	1,749	1,749
Profit for 2023	0	0	0	54,020	0	54,020
As at 31 December 2023	**445,500**	**15,293**	**0**	**488,869**	**263**	**949,925**
As at 1 January 2024	**445,500**	**15,293**	**0**	**488,869**	**263**	**949,925**
Spin-off of Wood Retail Investments	0	0	0	-46,562	0	-46,562
Profit / loss from revaluation of foreign operations	0	0	0	0	125	125
Profit for 2024	0	0	0	67,245	0	67,245
As at 31 December 2024	**445,500**	**15,293**	**0**	**509,552**	**388**	**970,733**

The Notes are an integral part of these individual financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	31 December 2024 In CZK thousands	31 December 2023 In CZK thousands
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	**21**	**90,093**	**71,754**
Depreciation and amortisation of tangible and intangible assets	19	49,604	45,491
Change in impairment and provisions		1,050	296
Exchange differences		125	-17,872
Operating profit before changes in operating assets and liabilities/payables		**140,872**	**99,668**
Trade and other receivables and financial assets measured at amortised costs	15	-543,594	940,909
Financial assets held for trading	14	-13,590	-348
Other assets		-1,785	-3,671
Trade and other payables	22	325,830	-839,173
Other liabilities		32	122
Income tax paid	12	-12,076	-7,354
Other movements		0	12,389
NET CASH FLOW FROM OPERATING ACTIVITIES		**-104,311**	**202,543**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for other financial assets at fair value through profit or loss		-5,864,184	-3,303,075
Proceeds from the sale and maturity of financial assets at fair value through profit or loss		5,807,869	3,171,081
Payments for property, plant and equipment, and intangible assets	19	-70,418	-21,079
Long-term receivables		358	-149
NET CASH FLOW USED IN INVESTING ACTIVITIES		**-126,375**	**-153,222**
CASH FLOW FROM FINANCING ACTIVITIES			
Short-term borrowings and loans increase		252,467	0
Short-term borrowings and loans repayment		0	- 284,521
Payments for buy-back of own bonds	27	0	- 2,110
Lease principal payments	24	-5,044	- 15,268
NET CASH FLOW USED IN FINANCING ACTIVITIES		**247,423**	**-301,899**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALETS		**16,737**	**-252,579**
Exchange differences in cash		**0**	**19,623**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**13**	**289,300**	**522,255**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**13**	**306,037**	**289,300**

Additional information to operating Cashflow			
Interest received		127,764	144,790
Interest paid		-129,473	-138,315
Dividends held for trading		5,117	10,329

In accordance with the requirements of IAS 7.44A-44B, the Company reports changes in liabilities arising from financing activities, both cash flow and non-cash changes, in the individual notes to the financial statements:

- liabilities due to banks (Note 23),
- liabilities from lease agreements under IFRS 16 Accounting Standards (Note 24),
- bonds issued (Note 27).

The Notes include information on the state of liabilities at the beginning and end of the accounting period, principal repayments, new commitments, and other changes affecting the amount of the liabilities.

The Notes are an integral part of these individual financial statements.

1. USE OF CZK AS REPORTING CURRENCY

WOOD & Company Financial Services, a.s. (the "Company") publishes audited statutory financial statements including a statement of financial position as at 31 December 2024, a statement of comprehensive income, a statement of changes in equity, and a statement of cash flows for the year ended on that date, and the notes to those financial statements with a description of the significant accounting methods used and other explanatory information.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and interpretations approved by the International Accounting Standards Board (IASB) and adopted by the European Union.

The financial statements have been prepared in CZK. The method of translating assets, liabilities, income, expenses and other items of the comprehensive income and equity of the Company's foreign operations is set out in Note 3.

Unless stated otherwise, all amounts are expressed in thousands of CZK.

The financial statements were approved for presentation by the Company's Board of Directors on 28 April 2025. The financial statements are also subject to the approval by the Company's shareholders.

2. INTRODUCTION

WOOD & Company Financial Services, a.s. (further referred to as "WOOD & Co." or the "Company"), registered office: Náměstí Republiky 1079/1a, 110 00 Prague 1, is a joint-stock company officially registered in the Commercial Register maintained by the registry court in 2002. Its scope of business includes primarily trading, provision of investment services, and trading in financial instruments on its own account. The Company operates the following branches:

- WOOD & Company Financial Services Romania, registered office: Lamda Office Building, 7A Sos. Bucuresti-Ploiesti 013682 Bucharest 1
- WOOD & Company Financial Services Poland, registered office: Centrum Marszałkowska, 7th floor, ul. Marszałkowska 126/134, 00-008 Warsaw
- WOOD & Company Financial Services Slovakia, registered office: Gorkého 4, 811 01 Bratislava
- WOOD & Company Financial Services Italy, registered office: Via Luigi Settembrini 35, 20124 Milan
- WOOD & Company Financial Services Ireland, registered office: Suite 207, 3013 Lake Drive, City West Campus, Dublin 24 D24 PPT3, Citywest, Dublin

As at 31 October 2024, WOOD & Company Financial Services United Kingdom, registered office: 16 Berkeley Street, London W1J 8DZ, ceased to exist. Its activities were transferred to the newly established WOOD & Company Financial Services Ltd.

Capital structure and financial resources of the Company

As at 31 December 2024, the Company's equity amounted to CZK 973,934 thousand (2023: CZK 949,925 thousand).

In addition to its internal funding, the Company secured other renewable overdrafts from various commercial banks. In most cases, the use of this framework is limited to the financing of the daily settlement of trades.

Shareholder structure

The ultimate majority shareholders of the Company as at 31 December 2024 were Jan Sýkora, Vladimír Jaroš, and Ľubomír Šoltýs (the owners). These persons are considered members of key management.

The sole shareholder of the Company at the date of this report is WOOD & Company Group S.A., registered office: 17 boulevard F.W. Raiffeisen, L-2411 Luxembourg, the Grand Duchy of Luxembourg.

Board of Directors as at 31 December 2024:

The principal rule agreed upon by the main shareholders and members of the Board of Directors of the Company is that the shareholders / members of the Board of Directors of the Company shall be represented on the Board of Directors as follows:

Chairman – Vladimír Jaroš
Vice-chairman – Petr Musil
Member – Petr Beneš
Member – Ondřej Jedlička
Member – Jan Teplý
Member – Zuzana Mora

Supervisory Board as at 31 December 2024:

Chairman – Jan Sýkora
Vice-chairman – Ľubomír Šoltýs
Member – Vojtěch Láska
Member – Marek Herold
Member – Lucie Bergerová

In 2024, there were no changes in the Board of Directors or Supervisory Board of the Company.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the IFRS Accounting Standards, as adopted by the European Union, and interpretations approved by the International Accounting Standards Board (IASB), as also adopted by the European Union.

The individual financial statements have been prepared on an accruals basis of accounting, whereby the effects of transactions and other events are recognised when they occur and are reported in the financial statements of the periods to which they relate, under the going concern assumption.

The financial statements consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows, and notes to the financial statements.

The individual financial statements are prepared under the historical cost convention, as modified by the fair value measurement of financial assets not carried at amortised cost, financial liabilities held for trading, and all derivative contracts at the date of the statement of financial position. Significant accounting policies are described in Note 5.

The comparative figures on the statement of financial position represent balances as at 31 December 2023, with balances for the year ended 31 December 2023 also presented in the statements of comprehensive income and cash flows.

The individual financial statements are presented in Czech crowns ("CZK"), which is the Company's reporting currency. The Company is part of the consolidated accounting unit of the parent company WOOD & Company Group S.A.

The Company's functional currency, i.e., the currency of the economic environment in which the Company primarily conducts its activities, is the Czech crown. As stated in Note 2, the Company has five branches abroad, which are considered foreign entities from an accounting perspective. The functional currency of each foreign entity is the Polish zloty in Poland, the Romanian new leu in Romania, and the euro in Italy, Ireland, and Slovakia.

As at 31 October 2024, the foreign branch WOOD & Company Financial Services United Kingdom, registered office: 16 Berkeley Street, London W1J 8DZ, ceased to exist. Its activities were transferred to the newly established WOOD & Company Financial Services Ltd.

The presentation of financial statements in accordance with the IFRS Accounting Standards, as adopted by the European Union, requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses for the period. These estimates are based on information available at the date of the financial statements, and actual future values may differ from these estimates. The key source of estimation uncertainty at the end of the accounting period is the valuation of financial assets (see Note 5).

4. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

4.1. Newly applied standards and interpretations, the application of which has not had a significant effect on the financial statements

Amendments to the following standards and interpretations issued, by the International Accounting Standards Board (IASB) and adopted by the European Union, and effective for annual periods beginning on or after 1 January 2024, became effective in the current period:

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendment)

The amendment defers the effective date of the January 2020 amendments, requiring entities to apply the amendment for annual periods beginning on or after 1 January 2024.
The amendment aims to promote consistency in applying the standard by helping entities better determine whether liabilities with an uncertain settlement date should be classified as current or non-current in the statement of financial position.

The application has no impact on the Company's financial statements.

- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2024. A seller-lessee applies the amendments retrospectively in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual period in which the entity first applied IFRS 16.
The amendments clarify how a seller-lessee should subsequently measure sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

The application has no impact on the Company's financial statements.

- IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2024. The amendments are applied retrospectively in accordance with IAS 8.
The amendments clarify how the conditions with which an entity must comply within twelve months of the annual period impact the classification of liabilities.

The application has no impact on the Company's financial statements.

- Supplier Finance Arrangements (Amendments to IAS 1 and IFRS 7)

These amendments complement the disclosure requirements and "reference indicators" under the existing disclosure requirements, which require entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for annual periods beginning on or after 1 January 2024.

The application has no impact on the Company's financial statements.

4.2. Published standards and interpretations that have not yet taken effect

a) At the date of these financial statements, the following amendments to existing standards adopted by the EU have been issued but have not yet become effective:

- Lack of Exchangeability (Amendments to IAS 21)

These amendments provide guidance on specifying when a currency is convertible and how to determine the exchange rate when it is not. The amendments are effective for annual periods beginning on or after 1 January 2025.

The application has no impact on the Company's financial statements.

b) The following standards and amendments to existing standards have not yet been approved for use in the EU:

- IFRS 18: Presentation and Disclosures in Financial Statements

IFRS 18, issued in April 2024, will be effective from 1 January 2027, making changes to the presentation and disclosure of financial performance. It replaces IAS 1 and aims to improve the structure and comparability of the statement of profit or loss by introducing defined subtotals such as "operating profit" and by clarifying the breakdown of costs and revenues.

The standard has not yet been approved by the EU. The Company does not expect any significant impact on its financial statements.

- IFRS 19: Subsidiaries without Public Accountability: Disclosures

IFRS 19, issued in May 2024, will be effective from 1 January 2027, introducing a simplified disclosure framework for subsidiaries without public accountability, whose parent company prepares consolidated financial statements in accordance with IFRS Accounting Standards.

The standard has not yet been approved by the EU. The Company is currently assessing whether IFRS 19 might be applicable at the level of its parent company in the future.

- Amendments to IFRS 9 and IFRS 7: Adjustments to Classification and Valuation of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to clarify the rules for the classification and valuation of financial assets, particularly in relation to the assessment of contractual cash flows and the use of settlement mechanisms. The amendments also introduce new disclosure requirements under IFRS 7.

The amendments have not yet been approved by the EU. The application will have no impact on the Company's financial statements.

- Amendments to IFRS 9 and IFRS 7: Agreements for Electricity Depending on Renewable Energy Sources

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to clarify the reporting of agreements on purchase of electricity depending on available renewable energy sources (e.g. solar or wind power). The amendments clarify that such variability in itself may not prevent an agreement from being considered intended for one's own use or classified as a host agreement without embedded derivatives. The amendments will be effective for annual periods beginning on 1 January 2026, with earlier application permitted.

The amendments have not yet been approved by the EU. The application will have no impact on the Company's financial statements.

- Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Standards - Volume 11 in the 2023-2025 cycle. These amendments contain minor changes and clarifications to several standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7, and are intended to improve consistency and clarity in financial reporting. The amendments will be effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

The amendments have not yet been approved by the EU. The application will have no impact on the Company's financial statements.

- Amendments to IFRS 10: Consolidated Financial Statements and IAS 28: Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an existing inconsistency between the requirements in IFRS 10 and IAS 28, in reporting the loss of control over a subsidiary when it is sold or contributed to an associate or joint venture. The main consequence of these amendments is that, if the assets involved in the transaction represent a business (whether or not part of the subsidiary), the related profit or loss must be reported in full. However, if the assets involved in the transaction do not represent a business (even if they are part of the subsidiary), only a partial profit or loss should be reported. In December 2015, the IASB indefinitely postponed the effective date of this amendment, pending the outcome of its research project on the equivalence method.

The amendments have not yet been approved by the EU. The application will have no impact on the Company's financial statements.

The Company has decided not to apply the new standards, amendments to existing standards, and interpretations prior to their effective date. As stated above, the Company does not expect the application of these standards and interpretations to have a significant impact on its financial statements.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES AND PROCEDURES

5.1. Material accounting judgments and estimates

When applying accounting policies to prepare individual financial statements in accordance with the IFRS Accounting Standards, the Company's management requires professional judgment, estimates, and assumptions that affect the amounts of assets and liabilities recognised at the date of the financial statements, as well as income and expenses recognised for the given period. These estimates and accounting judgments are based on information available at the date of the financial statements and relate specifically to:

- Determining the fair values of unlisted financial instruments that are classified as financial assets, or financial liabilities at fair value through profit or loss, or financial assets measured through other comprehensive income; The calculation of fair value is based on market data (exchange rates, interest rates) and other information existing at the balance sheet date.
- The assessment of compliance with the contractual conditions in the provision of investment banking services is based on information available to the Company's management at the date of preparation of the financial statements.
- The valuation of tangible and intangible assets, including rights of use, is based on the expected use of these assets, the expected period of their economic useful life, or the expected duration of leases.
- The valuation of goodwill is based on an estimate of future cash flows and the required rate of return on equity and debt financing.
- The number of provisions, which is based on the expected amount of payments,
- The amount of impairment of financial assets measured at amortised cost or fair value through profit or loss based on expected losses and the value of those assets at the date of default.

5.2. Recognition of interest income and expenses

Interest income and expense are recognised in the statement of comprehensive income on an accrual basis in the line items "Interest income" and "Interest expense". The Company accounts for interest income and expense using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments (net of credit losses) over the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability.

5.3. Reporting income and expenses from fees and commissions

Fee and commission income is recognised when the Company fulfils its contractual obligation to the client. In the event that the contract contains several partial contractual obligations, the total contract price is divided between individual contractual obligations, and the Company recognises revenue upon fulfilment of each partial contractual obligation. Payments received before the contractual obligation is fulfilled are recognised as a liability.

Costs incurred prior to the fulfilment of a contractual obligation are then recognised as an asset under the IFRS Accounting Standards if they are costs directly related to the performance of the contract; the costs are directed to the fulfilment of the contractual obligation, and the Company expects that these costs will be reimbursed.

The main categories of revenue from contracts with customers are, as described in Note 8, capital market transaction fees, analytical service income, asset management fees, and investment service income. For capital market transactions, the contractual obligation is usually settled at the time the transaction is made, and revenue is then recognised at that time.

Analytical services are usually provided on an ongoing basis, and the price is set for a specific period. The fulfilment of contractual obligations takes place gradually during the term of the contract. Revenues from these services are always recognised at the end of the period (month or calendar year).

In the case of management services, the contractual obligation is also fulfilled continuously throughout the accounting period. A fixed part of the remuneration is charged to income on a regular basis during the accounting period. If the remuneration includes a component dependent on the performance of the managed portfolio, such income is recognised at the end of the accounting period only if the conditions for the variable remuneration component have been met.

For investment banking analytical services, the moment of fulfilment of the contractual obligation is the moment agreed in the contract. Depending on the contractual arrangements, the contractual obligation may be performed gradually over the life of the contract, or it may be fulfilled at the time specified in the contract (e.g., at the time of the transaction relating to the services provided). If a variable component of remuneration is agreed (e.g., upon successful implementation of the project and acquisitions), this part is accounted for as income only after successful completion of the project.

Fee and commission income is recognised under the line item "Fee and commission income".

Fee and commission expense is recognised in the period to which it is materially and temporally related (see above) under the line item "Fee and commission expense".

5.4. Other financial costs/income

Other financial income/costs are recognised by the Company if they arise from an asset or liability that does not meet the definition set out in the Conceptual Framework of International Accounting Standards, and the receivable (assets) results in an expense for the Company, or vice versa, the liability (liabilities) results in income for the Company.

In the current period and the comparative period, these were loans of securities entered into with clients in the form of a repo transaction with a negative interest rate.

5.5. Financial assets and financial liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument (trade date).

Trade receivables without a significant financing component are initially recognised at transaction price. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of the financial asset or deducted from the fair value of the liability at initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are immediately recognised in the statement of comprehensive income.

<u>Classification and valuation of financial assets</u>

Financial assets are classified into the following specified categories: "financial assets at fair value through profit or loss (FVTPL)", "financial assets at fair value through other comprehensive income (FVOCI)", and "financial assets at amortised cost".

Financial assets measured at amortised cost:

Financial assets can be measured at amortised cost if they are held under a model designed to hold financial assets for the purpose of collecting contractual cash flows, and the cash flows are exclusively repayments of principal and interest on the principal.

Analysis of contractual cash flow characteristics

As part of the analysis of the characteristics of contractual cash flows, the Company evaluates if the contractual cash flows from loans and debt securities represent only payments of principal and interest on the amount of principal due. The fair value of a financial asset at the time of its recognition is considered to be the principal. The interest includes the time value of money, a surcharge for credit risk arising from the principal currently due, a surcharge on other costs and risks arising from lending, and the required profit margin.

In assessing whether cash flows consist solely of repayments of principal and interest, the Company evaluates the contractual terms of the financial instrument. This includes evaluating whether a financial asset includes contractual arrangements that may change the timing and amount of the contractual cash flows. As part of the evaluation, the Company assesses:

- contingent events that may change the timing and amount of contractual cash flows,
- leverage effect,
- early repayment and extension of maturity,
- conditions that restrict the entity from collecting cash flows from specific assets,
- conditions that modify the payment for the time value of money.

Business model

The definition of the Company's business models reflects the manner in which groups of financial assets are managed together to achieve a defined business objective. In assessing the objective of the business model, the Company considers the following information specifically:

- established methods and objectives for the portfolio,
- the method of evaluating the performance of the business model and how the given performance is reported to the key management of the Company,
- risks that affect the performance of the business model and the financial assets held under that business model and the method,
- managing these risks,
- the method of remuneration of managers and traders.

In the statement of financial position, financial assets at amortised cost are reported under "Cash and deposits with banks", "Trade and other receivables", "Long-term receivables" and "Securities measured at amortised cost"; and include loans and receivables from banks and clients of debt securities that are not held for trading. The accrued value is the acquisition price reduced by principal repayments, increased by accrued interest, and reduced by expected impairment losses through a provision. The Company uses the effective interest rate method to calculate the accrued value. Fees and related transaction costs are an integral part of the effective interest rate. Interest income on financial assets carried at amortised cost is recognised in the statement of comprehensive income under "Interest income". Impairment losses are recognised in the statement of comprehensive income under "Other operating expenses".

Financial assets at fair value through other comprehensive income ("FVOCI")

Debt instruments can be measured at fair value through other comprehensive income if they are held in a business model whose objectives are achieved through the collection of contractual cash flows and sales, provided the cash flows are exclusively repayments of principal and interest on principal. Unrealised gains and losses on debt securities are recognised in other comprehensive income. At the time of sale, the accumulated gains and losses in other comprehensive income are reclassified to profit or loss. In the 2023 and 2024 accounting periods, the Company did not value any debt instrument at fair value recognised in other comprehensive income.

For equity securities that are not held for trading, the Group may, at the time of their initial recognition, decide that subsequent changes in fair value will be recognised in equity. This classification is irreversible. The Company did not use this option in 2023 or 2024.

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

Financial assets may be measured at fair value through profit or loss if cash flows do not meet the test conditions for contractual cash flows, or are part of a business model designed to hold financial assets to realise their value through sale. In addition, on initial recognition, it is possible to irrevocably classify a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income, as measured at fair value through profit or loss, if this eliminates or significantly reduces a measurement or accounting mismatch that would otherwise occur.

Financial assets at fair value through profit or loss are recognised in the statement of financial position under the line items "Financial assets held for trading" and "Other financial assets at fair value through profit or loss".

Equity instruments which the Company determines are held for trading, or for which it does not exercise the option to recognise movements in fair value in other comprehensive income, are measured at fair value through profit or loss.

Changes in the net fair value of financial assets at fair value through profit or loss are recognised in the statement of comprehensive income under the line item "Net profit from financial operations".

<u>Impairment loss on financial assets</u>

For financial assets measured at amortised cost and debt financial assets at fair value through profit or loss, the Company determines an impairment loss in the amount of expected losses. The number of expected losses is based on historical experience and takes into account expected market developments.

IFRS 9 requires the use of a three-tier model to calculate impairment allowances, which evaluates the change in credit risk at the balance sheet date.

Level 1 – financial assets for which there has been no significant increase in credit risk since initial recognition, or which have a low credit risk at the date of the financial statements. For all assets in this category, a 12-month expected credit loss is recognised, and interest income is calculated from the gross carrying amount of the financial asset.

Level 2 – financial assets for which there has been a significant increase in credit risk since initial recognition, but which have not yet been impaired. For these assets, the expected credit loss is recognised over the entire life of the asset, and interest income is calculated from the gross carrying amount of the financial asset.

According to the Company's methodology, there is a significant increase in credit risk if one or more of the criteria are met. The assessment is based on a combination of quantitative and qualitative indicators that reflect changes in credit quality since the date of initial recognition.

The quantitative criterion is based primarily on changes in the probability of default ("PD") values over the expected life of the instrument. If there is a significant increase in the PD since the point of initial recognition, it is considered to signal a significant deterioration in credit risk.

Qualitative criteria include, for example:

- negative changes in external market indicators of credit quality (e.g. credit rating, credit spread, delays in payments by trading partners, etc.),
- changes in contractual conditions (e.g. receivable restructuring, default tolerance),
- deterioration in internal credit risk assessment (based on internal scoring methodology or risk management).

Level 3 – financial assets for which there is objective evidence of impairment. They are recorded as assets that are expected to have credit losses over the entire life of the asset, and interest income is calculated based on the net carrying amount of the assets. According to the Company’s methodology, a receivable is impaired especially if the debtor is more than 90 days in default, the debtor has died, or the debtor is insolvent.

The Company uses a simplified model for trade receivables and receivables from outstanding securities transactions with an original maturity of less than one year. Impairment losses are determined based on the expected losses over the entire life of the receivable.

In calculating the present value of expected credit losses, the Company uses the values of Probability of Default ("PD"), Loss Given Default ("LGD"), Exposure at Default ("EAD"), and the discount factor ("D"). For receivables from outstanding securities transactions and trade receivables, impairment loss is determined as a percentage of the value of receivables, broken down by ageing category. For receivables from reverse repo loans and loans to non-banking entities, the Company determines the expected loss based on an individual assessment of the debtor's credit risk, taking into account available collateral.

Classification and valuation of financial liabilities

Financial liabilities are classified either as financial liabilities at fair value through profit or loss, or as other financial liabilities. Financial liabilities are classified as at fair value through profit or loss if the financial liability is held for trading or is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are carried at fair value, with any revaluation gain or loss recognised in the statement of profit or loss under the line item "Net profit or loss from financial operations". Other financial liabilities (including loans) are subsequently measured at amortised cost using the effective interest rate method.

Accounting for financial assets and financial liabilities

All ordinary purchases and sales of financial assets (spot transactions) are recognised or derecognised on the trade date. Ordinary purchases or sales are purchases or sales of financial assets that require delivery of the assets within the time frame established by regulation or market convention. Purchases and sales of financial assets with a settlement period longer than that typical for spot transactions are considered financial derivatives (see Note "Financial derivative instruments").

5.6. Repurchase agreements

Securities sold under repurchase agreements (repo transactions) are not derecognised and continue to be reported as assets under the line item "Financial assets held for trading" in the statement of financial position. Securities provided as collateral are recorded off-balance sheet. The value of securities from the "Financial assets held for trading" category that are provided as collateral is disclosed in the Notes to the financial statements. At the same time, the Company recognises a liability in the amount of the consideration received, which is included under the relevant line items "Payables to banks" or "Trade and other payables".

The difference between the purchase and sale price in repurchase agreements is treated as interest expense, which is reported under the line item "Interest expense" and calculated using the effective interest rate method.

Securities purchased under resale agreements (reverse repo transactions) are not recognised in the statement of financial position and are recorded off-balance sheet. The corresponding receivable arising from the loan is reported in the statement of financial position as an asset under the relevant line items "Cash and deposits with banks" or "Trade and other receivables".

The difference between the sale and purchase price for resale agreements is treated as interest income, which is reported under the line item "Interest income" and calculated using the effective interest rate method.

In the case of the sale of securities acquired as collateral in a reverse repo transaction, the Company recognises in the statement of financial position the amount payable from the short sale, remeasured to fair value, under the relevant line item "Trade payables".

5.7. Financial derivative instruments

The Company enters into a number of derivative financial instruments to manage its exposure to currency risks. All financial derivatives are classified as financial instruments held for trading.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into, and are subsequently remeasured at fair value at the end of each accounting period. The resulting gain or loss is recognised immediately in the statement of profit or loss under the line item "Net profit or loss from financial operations".

5.8. Conversion of data in foreign currencies into Czech currency

All transactions denominated in foreign currencies are accounted for and converted into Czech crowns at the official exchange rate announced by the Czech National Bank, valid at the time of the transaction.

At the end of the accounting period, assets and liabilities representing monetary items denominated in foreign currencies are translated into Czech crowns at the exchange rate announced by the Czech National Bank, valid on that date. Assets and liabilities representing the right to receive (or an obligation to pay) a fixed or determinable number of foreign currency units are treated as foreign currency monetary items. Realised and unrealised gains and losses on the translation of foreign currency assets and liabilities into Czech crowns are recognised in the statement of profit or loss under the line item "Net profit or loss from financial operations".

Assets and liabilities that do not represent monetary items, as well as equity items, are translated at the historical exchange rate.

Assets, liabilities, income, expenses, and equity transactions of foreign branches representing foreign operations are translated into the reporting currency as follows:
- assets and liabilities, including data for the comparative period, at the exchange rate prevailing on the date of the financial statements,
- income and expenses, including data for the comparative period, at the exchange rate prevailing on the date of the transaction,
- equity transactions, at the exchange rate prevailing on the date of the transaction.

Differences arising on the translation of foreign operations from the functional currency to the Company's reporting currency are reported as part of other comprehensive income, under the line item "Translation of foreign operations into the reporting currency".

5.9. Income tax

Current tax payable is tax calculated based on taxable income for the year, using tax rates valid at the date of the statement of financial situation, and includes any adjustment to income tax payables for the previous period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases used in the calculation of taxable profit. A deferred tax liability is recognised for all taxable temporary differences. A deferred tax asset is recognised for all deductible temporary differences only to the extent of probable future taxable income.

The carrying amount of deferred tax assets is reviewed at the end of each accounting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be offset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the accounting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the accounting period, to cover or settle the carrying amount of its assets and liabilities.

Tax for the period and deferred tax is recognised in the statement of profit or loss, unless it relates to items that are recognised in other comprehensive income or directly in equity; in this case, the tax for the period and deferred tax is recognised in other comprehensive income or directly in equity.

5.10. Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at historical cost less accumulated depreciation/amortisation and accumulated impairment losses. The acquisition cost includes fees for experts and other costs directly attributable to the acquisition of the assets. Fixed assets are depreciated using the indirect method, with accumulated depreciation/ amortisation. Depreciation and amortisation are calculated on a straight-line basis to depreciate the cost of property, plant and equipment, and intangible assets over their estimated useful lives.

Goodwill represents the difference between the consideration transferred, the value of all non-controlling interests in the acquired entity, and any interests previously held in the acquired entity, and the fair value of any equity interests previously held by the acquirer in the acquired entity, as well as the amount of identifiable acquired assets and assumed liabilities measured at the acquisition date.

During the accounting period, the Company applied the following estimated useful lives for the assets, expressed in years:

Type of property	Depreciation/ amortisation period (in years)
Technical improvement	10 – 30
Inventory	3 – 10
Cars	4
Hardware equipment	3
Software	3-7
Right-of-use asset	2-5

At the end of each accounting period, the Company assesses the carrying amount of property, plant and equipment, and intangible assets to determine whether there is any indication that an asset may be impaired. If such an indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss. If it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Enterprise-wide assets are allocated to a separate cash-generating unit if a reasonable and consistent basis for allocation can be determined. Otherwise, enterprise-wide assets are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis for allocation can be determined.

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

If the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised directly in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to an adjusted estimate of its recoverable amount, but so that the increased carrying amount of the asset does not exceed the carrying amount that would have been determined had it been recognised in prior years as no impairment loss on the asset (or cash-generating unit). The reversal of an impairment loss is directly reflected in profit or loss.

For intangible assets with indefinite useful lives, intangible assets that are not yet in use, and goodwill, an impairment assessment is performed annually, regardless of whether there is any indication of impairment.

5.11. Lease contracts

The Company as a lessor

The Company acts as a lessor only to related companies in the sublease of office space. The main lease and the sublease are considered as two separate contracts and accounted for separately. None of these contracts meets the criteria for a finance lease. Revenue from the sublease is recognised on a straight-line basis over the term of the contract.

The Company as a lessee

For short-term leases and leases relating to low-value assets, costs are charged to the Company's expenses on a straight-line basis over the term of the lease. The Company considers short-term leases to be leases concluded for a period shorter than 12 months, and low-value assets to be assets with an acquisition price lower than CZK 100 thousand.

In determining the lease term, the Company relies on the non-cancellable lease term agreed in the contract. If the lease includes the Company's right to renew the contract or the right to terminate the contract, the Company also takes these factors into account when determining the expected lease term, depending on whether it expects to exercise those rights.

For other leases, the Company accounts for the right-of-use asset and lease liabilities from the lease commencement date.

Lease payables are measured at the present value of the expected contractual payments of rent at the commencement of the lease. In the case of the Company, these payments include fixed or variable payments of rent that depend on an index or a rate. The variable component of the rent, depending on the development of the price index, is determined at the commencement of the lease according to the value of the index on the lease commencement date. To determine the present value, the Company uses the Company's current borrowing rate as the discount rate, unless the implicit interest rate of the lease is known. For 2024, the Company's borrowing rate was determined using external financing rates. The subject-matter of the lease agreements, for which the right-of-use asset is accounted for, is exclusively the lease of office space, and therefore in 2024, the Company used a uniform discount rate of 2.06% p.a. (2023: 2.06 % p.a.).

The lease liability is subsequently increased by accrued interest and reduced by the rent paid.

The short-term and long-term parts of the lease liability are reported under separate line items of the statement of financial position.

If, after the commencement of the lease, the expected payments included in the valuation of the lease liability change, the Company will adjust the value of the liability and, at the same time, adjust the valuation of the right-of-use asset.

The right-of-use asset is valued at the lease commencement date, in the amount corresponding to the initial value of the lease liability, adjusted for rent payments made before the commencement of the lease, and incentives and costs incurred in concluding the lease agreement. Subsequently, the value of the right-of-use asset is reduced by depreciation and any loss from impairment. The right-of-use asset is depreciated on a straight-line basis over the expected life of the lease (or the useful life of the asset, if shorter). The duration also considers the contractual right to unilaterally extend or terminate the lease.

5.12. Provisions

The Company creates a provision if:

- It has a present obligation (legal or constructive) as a result of a past event,
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation,
- A reliable estimate of the amount of the obligation can be made.

The provision is recognised at the amount that represents the best estimate of the amount required to settle the present obligation.

5.13. Post-employment benefits

For employees in the Italian branch, the Company creates a mandatory T.F.R post-employment benefit fund. Severance pay, according to the terminology of Italian labour law, is paid based on the funds raised. The procedures for the correct calculation of severance pay are set out in Article 1 of Act No. 297/1982 and Article 2120 of the Italian Civil Code, which may be summarised as follows:

1. The monthly statement shall include all remuneration, including benefits in kind, paid to the employee depending on the employment relationship, unless it is an occasional employment relationship and unless otherwise stated in the collective agreements.
2. The sum of the relevant salaries paid monthly shall be divided by a coefficient of 13.5 at the end of each year or at the end of the employment relationship.
3. The amount not collected in the previous year shall always be valorised based on the valorisation coefficient set by the National Statistical Office of Italy (ISTAT).
4. Each year, a deduction of 0.50 is paid monthly by the employer for the employee in the form of an advance to the Italian State Social Security Administration (INPS), together with contributions.
5. By adding the amount referred to in point 2) to the amount obtained in point 3) and deducting the amount referred to in point 4), we get the amount to be set as expense for the Company and as a liability recognised as a provision for post-employment benefits.
6. The new legislation, which has been in effect since March 2015, provides for the possibility of:
    - paying the employee a monthly amount of severance pay accumulated for a given month,
    - collecting these funds on the Company's account,
    - paying funds to the pension fund, according to the employee's choice.

The Company recognises the costs of creating the fund under the line item "Administrative expenses" in the statement of profit and loss, and reports the value of the fund in the statement of financial position under the line item "Post-employment benefit provision". Upon termination of employment, the amount is paid by a reduction in the value of the fund (provision) and a decrease in cash. The value of the fund is revalued using the actuarial method in accordance with the requirements of IAS 19 and revaluation gains or losses are recognised in other comprehensive income.

5.14. Securities transactions for clients

Securities accepted by the Company for custody, administration, or safekeeping are recognised at market value, or at nominal value where market value is unavailable, and are disclosed off the balance sheet under the line item "Assets accepted for administration and custody".

Securities accepted by the Company for management are recognised at market value, or at nominal value where market value is unavailable, and are disclosed off the balance sheet under the line item "Assets accepted for management". A summary of "Assets accepted for management" is presented in Note 39.

5.15. Debt securities issued

Debt securities issued are classified as other financial liabilities measured at amortised cost. Debt securities issued are initially recognised at issue price, including direct issue costs. Subsequently, liabilities from issued bonds are increased by accrued interest costs determined using the effective interest rate method. In the statement of financial position, the bonds are recorded under the line item "Liabilities from issued bonds". Accrued interest is recorded under the line item "Interest expenses" in the statement of profit or loss.

5.16. Method of determining fair value

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in the valuation. The fair value hierarchy comprises the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2),
- inputs for assets or liabilities that are not based on observable market data (unobservable inputs) (Level 3).

See Note 36 for details.

5.17. Cash and bank balances

Cash and bank balances also include restricted funds, the Company's use of which is limited by contractual conditions. Restricted cash is not included in the statement of cash flows. Cash equivalents comprise cash on hand, deposits with central banks, and deposits with other banks with a maturity of up to one day.

Clients' funds received in connection with client asset management are not included in this item, and are reported off the balance sheet.

5.18. Non-current assets held for sale or distribution to owners and discontinued operations

Non-current assets and disposal groups of assets classified as held for sale or distribution to owners are measured at the lower of their carrying amount less costs to sell. These assets (and related liabilities) are presented separately in the statement of financial position.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is realised through sale rather than use.

A non-current asset or disposal group is classified as held for distribution to owners if the Company commits to distribute the asset or disposal group to owners. The condition for classification is that the assets are available for immediate distribution in their present condition and that distribution is highly probable.

A discontinued operation is that part of the Company that is classified as held for sale or for distribution to owners that:

- represents a separate major field or territorial area of activity,
- is part of one coordinated plan to eliminate a separate major field or territorial area of activity, or
- is a subsidiary acquired exclusively for sale.

The Company discloses the profit or loss on discontinued operations under a separate caption in the statement of profit or loss. Detailed information on non-current assets held for distribution to owners and discontinued operations is provided in Note 28.

5.19. Impact of climate change

The Company has assessed the possible impact of climate change on its assumptions and estimates, noting an increased degree of uncertainty. Due to the nature of the Company's activity – trading on financial markets for clients – no material impact has been identified.

6. Net interest income

Interest income of CZK 113,632 thousand (2023: CZK 144,552 thousand) is generated mainly from repo loans and money market loans.

	Year ended 31 December 2024 In CZK thousands	Year ended 31 December 2023 In CZK thousands
Interest income calculated using the effective interest rate method	**113,632**	**144,552**
Loans and advances provided	107,384	142,627
Other	6,248	1,925
Interest expenses calculated using the effective interest rate method	**-122,048**	**-138,319**
Overdrafts	-28,392	-27,610
Loans and advances received	-92,437	-109,255
Interest on leases	-1,219	-1,402
Other	0	-52
Net interest income	**-8,417**	**6,233**

7. Other financial income / costs

	Year ended 31 December 2024 In CZK thousands	Year ended 31 December 2023 In CZK thousands
Other financial income	7,321	13,772
Other financial costs	-3,936	-9,594
Net other financial income	**3,385**	**4,178**

Other financial income and expenses result from the clients' securities lending transactions. Due to volatile capital market developments in 2023 and 2024, there was a sharp decline in client interest in financing equity positions.

8. Net fee and commission income

	Year ended 31 December 2024 In CZK thousands	Year ended 31 December 2023 In CZK thousands
Fee and commission income:	**1,071,230**	**849,676**
Capital market transactions	576,231	434,665
Analytical services	74,182	83,777
Asset management	171,364	70,648
Investment banking	249,453	257,573
Other	0	3,013
Fee and commission expenses:	**-372,149**	**-268,765**
Securities transactions	-373,506	-268,765
Other	1,356	0
Total net fee and commission income	**699,080**	**580,911**

9. NET PROFIT FROM FINANCIAL OPERATIONS

	Year ended 31 December 2024 In CZK thousands	Year ended 31 December 2023 In CZK thousands
Net profit from proprietary trading	147,313	86,296
Net gain on foreign exchange differences	9,237	10,648
Dividend income	6,020	12,152
Net profit from financial operations	**162,570**	**109,096**

10. OTHER OPERATING INCOME / EXPENSES, NET

	Year ended 31 December 2024 In CZK thousands	Year ended 31 December 2023 In CZK thousands
Reinvoicing of operating costs	17,773	3,662
Other operating income	-26,310	759
Sale of QMD activities	0	50,581
Release/(creation) of provisions for receivables	-419	487
Other operating income/expenses, net	-8,956	55,489

11. ADMINISTRATIVE COSTS

	Year ended 31 December 2024 In CZK thousands	Year ended 31 December 2023 In CZK thousands
Wages, salaries and bonuses	-279,380	-283,609
Social security and health insurance costs	-82,196	-79,211
Contribution to the T.F.R. fund	-1,507	-1,829
Personnel expenses	**-363,083**	**-364,649**
Other administrative expenses	-344,881	-274,014
Total administrative expenses	**-707,965**	**-638,663**
Depreciation and amortisation	-49,604	-45,491
Total administrative and other expenses	**-757,569**	**-684,154**
Number of employees at the end of the period	220	196
Average number of employees during the period	208	184
Average personnel cost per employee	**-1,748**	**-1,979**

Other administrative expenses mainly include IT expenses (CZK 91,175 thousand; 2023: CZK 83,943 thousand), services related to the operation of office space, and expenses related to lease agreements classified as short-term or related to low-value assets (CZK 16,611 thousand; 2023: CZK 15,338 thousand), legal expenses (CZK 6,160 thousand; 2023: CZK 7,140 thousand), travel expenses (CZK 12,396 thousand; 2023: CZK 10,192 thousand), and marketing costs (CZK 11,179 thousand; 2023: CZK 30,789 thousand).

The line item "Other administrative expenses" also includes the remuneration of the statutory auditor, which totalled CZK 2,150 thousand in 2024, and relates to the mandatory audit of the financial statements and the annual report, as well as the report on the adequacy of measures taken to protect the customer's assets (so-called MiFID reports). The auditor's fee for 2023 was CZK 2,150 thousand. The statutory auditor of the Company for 2023 was Ernst & Young Audit, s.r.o. The statutory auditor of the Company for 2024 is Deloitte Audit s.r.o.

12. TAXATION

The corporate income tax rate for the year ended 31 December 2024 is 21%. The Company's tax liability is calculated based on the current profit/(loss) determined in accordance with the Czech accounting standards, taking into account non-deductible expenses, exempt income, and income subject to a final withholding tax rate.

	Year ended 31 December 2024 In CZK thousands	Year ended 31 December 2023 In CZK thousands
Profit / (loss) before tax	90,093	71,754
Theoretical tax calculated using a tax rate of 21% (2023: 19%)	**18,920**	**13,633**
Tax effect of non-taxable income	-711	-996
Tax effect of non-deductible expenses	10,934	6,644
Tax effect of other deductions	-1,700	-1,415
Tax effect of dividend income, income of foreign branches, and prior-period tax	-4,594	-382
Income tax expense / (income)	**22,849**	**17,483**
- Deferred tax	-1,600	-95

DEFFERED TAX

	Year ended 31 December 2024 In CZK thousands	Year ended 31 December 2023 In CZK thousands
Deferred tax assets		
Estimates of labour costs	1,134	358
Provisions	2,296	3,079
The difference between the accounting and tax residual values of fixed assets, including right-of-use assets	0	0
Adjustments to receivables	209	40
Contractual fines and penalties	0	34
Deferred tax liabilities		
The difference between the accounting and tax residual values of fixed assets	-1,698	-3,170
Net deferred tax assets / (liabilities)	**1,941**	**341**
Movement of deferred tax assets / (liabilities)		
Balance at the beginning of the period	341	246
Net change recognised as income / (expenses)	1,600	95
Balance at the end of the period	**1,941**	**341**

Deferred income taxes are calculated on all taxable and deductible differences between tax bases and carrying amounts using the effective tax rate of 21% (2023: 21%) applicable for 2024 and subsequent periods.

13. CASH AND BANK BALANCES

	As at 31 December 2024 In CZK thousands	As at 31 December 2023 In CZK thousands
Cash on hand	367	263
Current accounts with banks	305,669	289,036
Total cash and bank balances	**306,037**	**289,300**

Cash and current accounts with banks together represent cash and cash equivalents for cash flow reporting purposes. All funds are deposited with Czech banking institutions.

14. Financial assets and liabilities held for trading

Financial assets held for trading

	As at 31 December 2024 In CZK thousands	As at 31 December 2023 In CZK thousands
Shares and equity securities traded on regular markets	59,423	45,574
Fair value of financial derivatives	112,936	104,335
Total assets held for trading	**172,360**	**149,908**

Liabilities held for trading

	As at 31 December 2024 In CZK thousands	As at 31 December 2023 In CZK thousands
Liabilities from short sales	36	0
Fair value of financial derivatives	107,889	99,064
Total liabilities held for trading	**107,926**	**99,064**

Shares are denominated in the currencies of their respective local markets.

Nominal values of foreign exchange transactions	As at 31 December 2024 In CZK thousands	As at 31 December 2023 In CZK thousands
Receivables from fixed-term transactions	10,642,993	10,408,025
Liabilities from fixed term transactions	10,637,643	10,402,800

Information on the risks arising from financial assets and financial liabilities held for trading and the methods of their management are described in Notes 29 to 34.

15. Trade and other receivables

	As at 31 December 2024 In CZK thousands	As at 31 December 2023 In CZK thousands
Receivables from securities trading	1,798,750	2,010,615
Receivables from repo/ buy-sell transactions	1,692,690	1,406,586
Receivables from unsecured loans to non-banking entities	917,995	480,497
Receivables from loans to non-banking entities secured by collateral	0	0
Trade and other receivables	77,529	61,685
Estimated receivables	65,551	55,303
Advance payments – short-term	21,052	15,706
Total trade and other receivables	**4,573,567**	**4,030,392**

Receivables from securities trading of CZK 1,798,750 thousand mainly include capital transactions for clients that remained unpaid at the end of 2024 (2023: CZK 2,010,615 thousand). These transactions were subsequently fully settled at the beginning of January 2025. Due to the method of settlement of transactions (delivery versus payment), these receivables carry minimal credit risk. For receivables from securities trading, the impairment loss is set at the level of the expected 12-month loss. Based on historical experience and the nature of the receivables, the Company assessed the risk of the expected 12-month loss as insignificant. In 2024 and 2023, none of the receivables reported in this category showed a significant increase in credit risk. The Company performed an assessment of expected credit losses in accordance with the requirements of IFRS 9, and the identified losses were assessed to be immaterial and, therefore, no impairment loss was reported.

Receivables from reverse repo transactions represent short-term loans secured by securities. For receivables from reverse repo transactions and buy-sell transactions, the impairment loss is primarily set at the level of the expected 12-month loss. Receivables are always secured by securities with a value higher than the value of the receivable. The debtor's credit risk and the value of collateral are regularly evaluated by the Company. The Company assessed the risk of the expected 12-month loss on existing receivables as insignificant. In 2024 and 2023, none of the receivables reported in this category showed a significant increase in credit risk. The Company performed an assessment of expected credit losses in accordance with the requirements of IFRS 9, and the identified losses were assessed to be immaterial and, therefore, no impairment loss was reported. Securities accepted as collateral under reverse repo transactions totalled CZK 2,760,726 thousand (2023: CZK 2,061,007 thousand). Securities are measured at fair value. All securities accepted as collateral may be sold or further pledged.

Receivables from unsecured loans to non-banking entities represent loans provided to selected business partners, including related parties. For receivables from loans to non-banking entities, the impairment loss is primarily set at the level of the expected 12-month loss. Expected losses are based on an individual assessment of each debtor. Given that most loans are provided to related parties, the Company assesses the risk of expected credit losses on existing receivables as insignificant. In 2023 and 2024, there was no deterioration in credit risk, and the Company reported no loss.

Trade and other receivables of CZK 77,529 thousand include receivables from issued invoices for asset management services, investment banking, and analytical services (CZK 45,526 thousand; 2023: CZK 38,783 thousand), as well as intragroup relations (CZK 167 thousand; 2023: CZK 174 thousand) due to re-invoicing of costs. In the case of trade receivables, the impairment loss is set at the level of the expected lifetime loss, where the expected loss is based on the period past due. Based on historical experience and the nature of the receivables, the Company assessed the risk of expected losses as insignificant.

As at 31 December 2024, the Company calculated expected impairment losses on financial assets. The total expected amount of impairment did not exceed CZK 1,000 thousand. The method of credit risk management is described in Note 32.

16. DEFERRED EXPENSES AND INCOME

Deferred expenses as at 31 December 2024, in the amount of CZK 21,197 thousand (2023: CZK 21,010 thousand), mainly include prepaid IT system maintenance and rent.

17. OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2024 In CZK thousands	As at 31 December 2023 In CZK thousands
Unquoted bonds	1,776	513
Unlisted shares and participations	536,481	481,429
Other financial assets at fair value through profit or loss	**538,257**	**481,942**

The line item "Unquoted bonds" as at 31 December 2022 includes bonds of Czech companies maturing in 2024.

The line item "Unlisted shares and participations" as at 31 December 2024 and 31 December 2023 includes primarily shares in qualified investor funds. As at 31 December 2024, the item includes the "Footshop" investment certificate totalling CZK 53,052 thousand.

Information on risks arising from other financial assets measured at fair value and the methods of their management are described in Notes 29 to 34.

18. LONG-TERM RECEIVABLES

Long-term receivables in the total amount of CZK 6,965 thousand (2023: CZK 7,322 thousand) consist mainly of long-term advances paid for rent.

As at 31 December 2024, the Company calculated expected impairment losses on financial assets. The total expected amount of impairment did not exceed CZK 1,000 thousand. The method of credit risk management is described in Note 32.

19. TANGIBLE AND INTANGIBLE FIXED ASSETS

	Goodwill In CZK thousands	Software In CZK thousands	Right-of-use asset In CZK thousands	Technical improvement In CZK thousands	Inventory In CZK thousands	Other equipment In CZK thousands	Means of transport In CZK thousands	Total In CZK thousands
Purchase price								
1 January 2024	**6,886**	**231,889**	**147,457**	**30,049**	**28,780**	**54,428**	**13,322**	**512,811**
Additions	75	25,367	746	7,612	565	1,827	0	36,192
Translation of assets from branch currencies into CZK	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	-2,558	-2,558
31 December 2024	**6,961**	**257,256**	**148,203**	**37,661**	**29,345**	**56,255**	**10,764**	**546,446**
Accumulated depreciation								
1 January 2024	**0**	**165,100**	**77,394**	**16,922**	**25,554**	**49,988**	**13,322**	**348,280**
Depreciation and amortisation	0	28,099	16,687	934	919	502	0	47,141
Translation of assets from branch currencies into CZK	0	0	0	0	0	0	0	0
Derecognition	0	0	0	0	0	0	-3,213	-3,213
31 December 2024	**0**	**193,200**	**94,081**	**17,856**	**26,473**	**50,492**	**10,109**	**392,211**
Accumulated impairment	**4,728**	**0**	**0**	**0**	**0**	**0**	**0**	**4,728**
Net book value								
31 December 2024	**2,233**	**64,057**	**54,122**	**19,805**	**2,872**	**5,763**	**655**	**149,507**
1 January 2024	2,158	66,789	70,063	13,127	3,226	4,440	0	159,803

Purchase price								
1 January 2023	**6,788**	**270,619**	**145,678**	**28,690**	**29,175**	**53,360**	**13,246**	**547,556**
Additions	0	24,521	1,103	1,728	1,415	5,417	0	34,184
Translation of assets from branch currencies into CZK	99	12	0	0	0	96	76	283
Disposals	0	-2,883	0	0	-231	-3,930	0	-7,045
31 December 2023	**6,887**	**292,269**	**146,781**	**30,418**	**30,359**	**54,943**	**13,322**	**574,978**
Accumulated depreciation								
1 January 2023	**0**	**176,577**	**63,893**	**15,893**	**25,059**	**46,986**	**12,994**	**341,402**
Depreciation and amortisation	0	35,614	15,513	1,054	1,349	4,144	328	58,002
Translation of assets from branch currencies into CZK	0	12	0	0	0	92	0	103
Derecognition	0	-12,342	0	0	-231	-851	0	-13,425
31 December 2023	**0**	**199,861**	**79,406**	**16,947**	**26,176**	**50,371**	**13,322**	**386,084**
Accumulated impairment	**4,729**	**0**	**0**	**0**	**0**	**0**	**0**	**4,729**
Net book value								
31 December 2023	**2,158**	**92,408**	**67,374**	**13,471**	**4,182**	**4,572**	**0**	**184,165**
1 January 2023	2,059	94,042	81,785	12,797	4,116	6,374	252	201,424

The right-of-use asset relates to the leases of office space and car leasing. The total net carrying amount of the right-of-use asset was CZK 54,122 thousand as at 31 December 2024 (2023: CZK 67,374 thousand). The depreciation of the right-of-use asset in 2024 totalled CZK 16,687 thousand (2023: CZK 15,513 thousand).

As at 1 January 2024, the impact of the spin-off of the assets of Wood Retail Investments a.s. amounted to CZK 24,362 thousand.

In 2024, the Company spent CZK 7,557 thousand on research and development (2023: CZK 6,372 thousand).

Goodwill reported in the statement of financial position relates to the acquisition of a branch in Italy in 2013. At the acquisition date, the value of goodwill was determined as the difference between (i) the purchase price of the controlling interest and (ii) the fair value of the acquired assets less the fair value of the liabilities assumed on the acquisition date.

The Company has assessed the impairment of goodwill. The recoverable amount is determined as value in use and is based on a long-term cash flow plan. A discount rate of 9.5% was applied in the value in use calculation to reflect market estimates of the time value of money and the specific risks associated with the cash-generating unit. Based on the assessment of the recoverable amount of the cash-generating unit to which the goodwill is allocated (the Italian branch of the Company), the Company reported no change in the value of goodwill in 2024 (2023: no change). The carrying amount of goodwill as at 31 December 2024 is CZK 2,233 thousand (2023: CZK 2,158 thousand).

20. SHARE CAPITAL

The Company's share capital represents 198,000 shares with a nominal value of CZK 2,250 per share. In 2024 and 2023, there were no changes in the share capital of the Company. The share capital was fully paid up.

21. RETAINED EARNINGS

The profit for 2023 was transferred to the Company's retained earnings based on the decision of the General Meeting of the Company. The Company's management anticipates that the profit for 2024 will also be transferred to retained earnings.

22. TRADE AND OTHER PAYABLES

	As at 31 December 2024 In CZK thousands	As at 31 December 2023 In CZK thousands
Payables to suppliers	89,789	77,384
Liabilities from securities trading	1,838,851	2,030,623
Liabilities from repo transactions	2,078,598	1,501,492
Liabilities from loans	0	110,877
Liabilities to the state budget	14,092	19,854
Accrued liabilities	101,718	85,773
Total trade and other payables	**4,123,049**	**3,826,003**

"Payables to suppliers" include payables that remained outstanding at the end of 2024. No liabilities were overdue as at 31 December 2024.

"Liabilities from securities trading" include capital transactions for clients that remained unpaid at the end of 2024 and were subsequently settled in January 2025.

"Accrued liabilities" mainly include an estimate of the contribution to the guarantee fund, bonuses, provision for untaken holiday, and estimated services not invoiced by 31 December 2024.

Securities provided as collateral under repurchase transactions amounted to CZK 2,760,726 thousand (2023: CZK 2,307,320 thousand).

23. AMOUNTS OWED TO BANKS

Liabilities to banks in the amount of CZK 482,760 thousand (2023: CZK 230,293 thousand) represent short-term bank loans, which are used primarily to cover stock exchange collateral and trade settlement.

The table below summarises income and expenditure related to liabilities to banks:

	2024 In CZK thousands	2023 In CZK thousands
Liabilities to banks as at 1 January	**230,293**	**514,815**
Drawdown of bank loans	224,075	0
Accrued interest	28,392	27,610
Repayment of bank loans	0	-312,131
Liabilities to banks as at 31 December	**482,760**	**230,293**

24. Lease liabilities

The table below summarises lease liabilities:

	2024 In CZK thousands	2023 In CZK thousands
Lease liabilities as at 1 January 2024	**64,361**	**77,070**
Additions	1,588	1,103
Interest	1,219	1,401
Instalments	-4,295	-14,463
Lease liabilities as at 31 December 2024	**62,874**	**65,111**
Current lease liabilities	*10,251*	*9,407*
Non-current lease liabilities	*52,623*	*55,704*

"Lease liabilities" are measured at the present value of the outstanding lease payments at the commencement of the lease. In the case of the Company, these payments include fixed or variable rents. The variable component of the rent, which depends on the development of the price index, is determined at the commencement of the lease according to the value of the index on the date of commencement of the lease. To determine the present value, the Company uses the Company's current borrowing rate as the discount rate.

"Lease liabilities" are subsequently increased by accrued interest and reduced by the lease payments made.

"Current lease liabilities" represent the present value of the lease payments due within 12 months of the end of the current accounting period.

The amount of depreciation of right-of-use assets is disclosed in Note 19, costs arising from current leases and contracts for low-value assets in Note 11, and interest from leases in Note 6.

The obligations arise exclusively from contracts relating to office space and personal vehicles. The Company is not exposed to any potential payments that would not be included in the valuation of lease liabilities.

25. Accruals and other liabilities

Accruals and other liabilities as at 31 December 2024, in the amount of CZK 490 thousand (2023: CZK 459 thousand), mainly represent accepted commissions payable to contractual partners, and accruals of office space leases.

26. Provisions

The most significant item in the provisions is the provision for post-employment benefits, namely the *Trattamento di Fine Rapporto* ("TFR") for the employees of the Italian branch. TFR is a form of deferred salary, mandatory under Article 2120 of the Italian Civil Code. It is not a voluntary benefit but a part of the salary granted to employees for the duration of their employment and paid upon termination. The amount is calculated based on the length of employment and the remuneration received by the employee during that period.

Under Italian legislation, employees may choose whether their TFR will be:
- retained by the Company;
- transferred to a state fund managed by INPS or to a supplementary pension fund;
- or paid as part of their monthly salary.

If the TFR is transferred to external funds, the Company's obligation is limited to paying the relevant contributions, which are reported as a defined contribution plan under IAS 19. On the other hand, if the TFR is retained by the Company, it is considered a defined benefit plan, and the related liability is reported as a provision in the financial statements. The option to pay TFR as part of the monthly salary is considered regular salary (this option is not used by the Company).

The calculation of the TFR is governed by Italian legislation and includes:
- annual entitlement calculated as total remuneration divided by a coefficient of 13.5;
- annual revaluation based on the index issued by the Italian statistical office (ISTAT);
- the Employer's monthly contribution of 0.50% of gross salary paid to the INPS.

To cover the liabilities arising from the retained TFR, the Company holds an equivalent amount in cash, reported under the line item "Cash and deposits with banks".

In 2024, the Company reported TFR-related expenses of CZK 1,829 thousand (2023: CZK 2,514 thousand). As at 31 December 2024, the total provision of CZK 4,611 thousand (2023: CZK 3,827 thousand) represented the present value of future liabilities related to the TFR retained by the Company.

27. LIABILITIES FROM ISSUED DEBT SECURITIES

In 2020, the Company issued bonds with a fixed interest rate of 3%, in the nominal value of CZK 200,000 thousand, and with a maturity date of 2 November 2023.
In 2021, the Company issued bonds with a fixed interest rate of 2.9%, in the nominal value of CZK 250,000 thousand, and with a maturity date of 30 April 2024.
In 2023, the Company issued bonds with a fixed interest rate of 7.5%, in the nominal value of CZK 200,000 thousand, and with a maturity date of 18 October 2026.
Liabilities from these issued bonds as at 31 December 2024 amounted to CZK 0 thousand (31 December 2023: CZK 0 thousand).

The Company also provides its own issued bonds as collateral in repo transactions. The total amount of Company-issued bonds thus provided was CZK 422,827 thousand as at 31 December 2024 (31 December 2023: CZK 77,130 thousand). Liabilities from these transactions are reported under the line item "Trade and other payables".

28. ASSETS AND LIABILITIES AND STATEMENT OF COMPREHENSIVE INCOME INTENDED FOR DISTRIBUTION TO OWNERS AND DISCONTINUED OPERATIONS

The governing body of WOOD & Company Financial Services, a.s. and WOOD Retail Investments a.s. prepared a transformation project with a relevant effective date of 1 January 2023 (date of commencement of transformation). Based on the demerger by spin-off with consolidation, WOOD Retail Investments a.s. assumed part of the business activities (assets) of WOOD & Company Financial Services, a.s., as specified in the transformation project, i.e. the activities operated under the Portu brand, which primarily include the operation of the retail investment platform www.portu.cz. The transformation aimed to economically separate the purely retail part of the Company's business, which is already operating under the separate Portu brand, and thus simplify its management and reduce mutual risk exposure to the "wholesale" business.

WOOD & Company Financial Services, a.s. and WOOD Retail Investments a.s. have the same parent company (WOOD & Company Group S.A.) and the same beneficial owners.

The spun-off assets and liabilities were recognised as assets and liabilities held for distribution to owners as at 31 December 2023, in accordance with IFRS 5; they meet the criteria for being recognised as "held for sale". The spun-off business has been classified as a discontinued operation, as it represents a significant separable component of the Company that was transferred out of the Company within one year. The spin-off became effective upon the registration of the transformation

in the Commercial Register on 1 January 2024. It was only on this date that the effective transfer of the spun-off assets and liabilities legally took place, and therefore the Company chose this date as the date of derecognition of assets and liabilities from the Company's balance sheet and their transfer to WOOD Retail Investments a.s.
As at 1 January 2024, the defined assets were transferred to WOOD Retail Investments a.s., namely intangible assets (software, licenses, internally generated assets) and tangible assets (equipment, technology), employees, contracts related to the lease of office space at Jihlavská 1558/21, Prague 4 – Michle, agreements concluded under the Portu brand, defined receivables and liabilities, and items from accounting records and equity (retained earnings).

The carrying amount of assets designated for distribution to owners as at 31 December 2023 was CZK 49,886 thousand, and the carrying amount of liabilities related to these assets was CZK 3,679 thousand. The assets were transferred at their carrying amount.

The tables below show the carrying amounts of assets and liabilities before the reclassification adjustment to "held for distribution to owners", and the final carrying amounts after the reclassification.

The profit on discontinued operations, recognised under a separate line item in the statement of profit or loss and other comprehensive income, was as follows:

Discontinued operations	31 December 2023 In CZK thousands
Interest income calculated using the effective interest method	0
Interest expense calculated using the effective interest method	-55
Net interest income	**-55**
Other financial income	0
Other financial expenses	0
Net other financial income	**0**
Fee and commission income	235,030
Fee and commission expense	-118,693
Net fee and commission income	**116,337**
Net profit from financial operations	4,618
Net other operating income/expenses	1
Total operating revenues	**120,901**
Administrative expenses	-108,315
Depreciation and amortisation	-12,511
Total operating expenses	**-120,826**
Profit/(loss) before tax	**74**
Income tax expense	-325
Deferred tax	0
Net profit/(loss) for the period	**-254**

Assets held for distribution to owners and related liabilities, presented under separate line items in the statement of financial position, include the following categories:

	31 December 2023 In CZK thousands
ASSETS	
Trade and other receivables	20,627
Deferred charges, accrued income and other assets	119
Net intangible assets	25,552
Property, plant and equipment, net	3,588
Total assets held for distribution to owners and discontinued operations	**49,886**
LIABILITIES	
Non-current lease liabilities	1,464
Current lease liabilities	844
Trade and other payables	1,046
Income tax payable	325
Total liabilities related to assets held for distribution to owners and discontinued operations	**3,679**

The Company estimates the impact of individual activities on respective cash flow categories for 2023 as follows: cash flows from operating activities totalled CZK 12,511 thousand and cash flows from investment activities totalled CZK -17,105 thousand.

29. RISK MANAGEMENT

The Company's management regularly assesses and evaluates the risks to which the Company is exposed. The key risks arising from financial assets and financial liabilities include currency risk, liquidity risk, credit risk, and market risk. The Company's objective is to minimise these risks. To this end, the Company applies a system of internal policies, including a framework of limits on its maximum risk exposure. In selected cases, the Company uses financial derivatives for hedging purposes. Compliance with internal policies is regularly reviewed by the Company's management and its internal audit department.

30. CURRENCY RISK

The Company conducts its business activities in Czech crowns and other major currencies in the Central and Eastern Europe region. The Company has established internal rules for holding current assets, primarily cash, in individual currencies in accordance with its foreign exchange risk management policy.

Currency risk is managed by the Treasury Department, which continuously monitors currency positions within current assets and determines their structure and volume, specifically with reference to the currency composition of long-term liabilities.

The Company regularly evaluates the potential impact of exchange rate movements on profit or loss and equity. The following table summarises the estimated effect of a +/- 10% change in the CZK exchange rate against other currencies on the Company's profit or loss and equity (in thousands of CZK).

2024	Strengthening of CZK (+10%)	Weakening of CZK (-10%)
Impact on profit or loss (+ increase / - decrease)	-13,472	13,472
Impact on equity	0	0

2023	Strengthening of CZK (+10%)	Weakening of CZK (-10%)
Impact on profit or loss (+ increase / - decrease)	-19,650	19,650
Impact on equity (+ increase / - decrease)	0	0

31. LIQUIDITY RISK MANAGEMENT

The Company's liquidity management is based on the fact that most business operations and transactions it enters into are settled in accordance with the T+2 or T+3 convention (trade date plus two or three business days). The Treasury department manages the Company's liquidity and works closely with the Settlement department. In particular, the Treasury department analyses the timing and currency composition of expected future receivables and payables to ensure that the Company maintains a sufficient level of readily available liquid funds.

The internal guidelines also stipulate the volume of purchases and sales that a trader may conclude on their own account over the course of the day, and the value of the securities portfolio that the trader may hold in the Company's own account at the end of the trading day.

Ongoing monitoring of compliance with the set limits takes place throughout the day and involves authorised employees of the Trading, Treasury and Settlement departments.

Maturity:	On request	< than 3 months	< than 1 year	< than 5 years	> than 5 years	Total equity
Liabilities from debt securities issued	0	0	0	0	0	**0**
Amounts owed to banks	0	482,760	0	0	0	**482,760**
Financial liabilities held for trading – derivatives	0	43,933	63,102	891	0	**107,926**
Trade and other payables	0	3,758,551	364,497	0	0	**4,123,049**
Lease liabilities	0	5,223	15,668	41,983		**62,874**
Accruals and other liabilities	0	490	0	0	0	**490**
Income tax payable	0	0	16,758	0	0	**16,758**
Liabilities related to assets held for distribution to owners and discontinued operations	0	0	0	0	0	**0**
Total 31 December 2024	**0**	**4,290,957**	**460,025**	**42,874**	**0**	**4,793,856**

Maturity:	On request	< than 3 months	< than 1 year	< than 5 years	> than 5 years	Total equity
Liabilities from debt securities issued	0	0	0	0	0	**0**
Amounts owed to banks	0	230,293	0	0	0	**230,293**
Financial liabilities held for trading – shares	0	0	0	0	0	**0**
Financial liabilities held for trading – derivatives	0	99,064	0	0	0	**99,064**
Trade and other payables	0	3,740,229	85,773	0	0	**3,826,003**
Lease liabilities	0	1,482	9,298	55,704	0	**66,484**
Accruals and other liabilities	0	459	0	0	0	**459**
Income tax payable	0	0	5,984	0	0	**5,984**
Liabilities related to assets held for distribution to owners and discontinued operations	0	1,046	1,170	1,464	0	**3,679**
Total 31 December 2023	**0**	**4,072,573**	**102,225**	**57,168**	**0**	**4,231,966**

The carrying amount does not differ substantially from the contractual cash flows of financial liabilities. The expected maturity of financial assets and financial liabilities does not differ significantly from the expected maturity.

32. CREDIT RISK

Credit risk arises mainly from receivables related to outstanding securities transactions, receivables from loans and repo loans, trade receivables, and debt securities. The Company manages and evaluates credit risk for each category separately. The Company's objective is to minimise losses resulting from the debtors' inability to repay the Company's receivables by assessing creditworthiness and regularly monitoring counterparties with whom the Company enters into transactions and/or provides services. The Company methodically manages and continuously evaluates the credit risk of counterparties. New clients undergo an account opening procedure after which, based on an analysis of the obtained information, they are assigned an internal or external credit rating. The counterparty is then given a limit on the total open position. The Treasury and Compliance departments continuously monitor the security and risk assessment of the loans provided.

For receivables from securities trading, the Company considers the settlement method of trades (delivery versus payment) when assessing credit risk. As a result, these receivables pose minimal credit risk. Based on historical experience and the nature of the receivables, the Company assessed the risk of the expected 12-month loss as insignificant. In 2024 and 2023, none of the receivables reported in this category showed a significant increase in credit risk. The Company did not report any impairment loss on these receivables.

For receivables from reverse repo transactions and buy-sell transactions, the Company assesses the creditworthiness of the debtor and the value of the securities which are to serve as collateral for the receivable, before entering into a transaction. The Company always requires that the value of the collateral exceed the value of the receivable when entering into a transaction. For receivables from reverse repo transactions and buy-sell transactions, the impairment loss is primarily set at the expected 12-month loss. In 2024 and 2023, none of the receivables reported in this category showed a significant increase in credit risk. The Company did not report any impairment loss on these receivables.

The Company provides loans to selected business partners. Loans are granted after prior assessment of the debtor and, unless the loan is to a related party, the Company requires adequate collateral. All loans are granted only with the consent of the Company's governing body. For receivables from loans to non-banking entities, the impairment loss is primarily set at the expected 12-month loss. Expected loss is based on an individual assessment of each debtor. As most loans are provided to related parties, the Company assesses the risk of expected credit loss on existing receivables as insignificant. In 2024, none of the receivables showed a significant increase in credit risk, and no impairment loss was recognised. In 2024, none of the receivables showed a significant increase in credit risk, and the impairment loss was immaterial.

Trade receivables mainly represent receivables for asset management services, investment banking, and analytical services. Before accepting an order, the Company always assesses the client's ability to pay the fee. For trade receivables, the impairment loss is based on the overdue period of the receivable. Based on historical experience and the nature of the receivables, the Company assessed the risk of expected loss as insignificant (2024: CZK 124 thousand; 2023: CZK 197 thousand).

As at 31 December 2024, the Company was exposed to credit risk arising from:
(i) the carrying amounts of receivables recognised in the statement of financial position;
(ii) the maximum value of the performance under the financial guarantees provided.

The Company did not provide any financial guarantees in 2024. The Company assessed the risk of expected loss from the provision of guarantees as negligible. Therefore, the Company did not recognise any impairment loss in respect of the financial guarantees provided.

The Company also evaluates credit risk when purchasing debt securities. As at 31 December 2024 and 31 December 2023, all debt securities were classified as financial assets held for trading; any credit losses were therefore reflected in fair value directly recognised in the Company's expenses.

The Company is obliged to comply with the regulations restricting credit concentration, in accordance with the rules of credit exposure. As at 31 December 2024 and 31 December 2023, exposure to any single counterparty did not exceed 10% of the total value of all receivables of the Company.

33. INTEREST RATE RISK

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The period for which the interest rate of a financial instrument is fixed indicates the extent to which the instrument is exposed to interest rate risk. Most of the Company's transactions with an interest rate component have a fixed interest rate. Therefore, the Company is not exposed to the risk of duration mismatch. The Company does not hold significant floating-rate financial instruments whose interest would be periodically re-priced in response to developments in market rates.

Due to the nature of operations and the contractual maturity of financial assets and liabilities, the Company is not exposed to significant interest rate risk. The effects of changes in interest rates on the Company's profit or loss and equity are not expected to be material.

34. MARKET RISK

Market risk is the risk of changes in the prices of securities held by the Company in its portfolios. To measure and manage market risks, the Company mainly uses a series of limits that result from the Company's needs and external requirements.

The Company trades in the following instruments that are subject to market risk:
- shares traded on the Prague Stock Exchange,
- selected foreign shares traded on foreign stock exchanges and derivative contracts.

The table below presents the sensitivity analysis of equity (Delta) in thousands of CZK. Sensitivity represents a shift of +/- 10% of all securities held in the portfolio.

2024	Sensitivity Long position	Sensitivity Short position	Total sensitivity
Impact on equity	59,590	4	59,587
Impact on profit/loss (+ increase / - decrease)	5,942	4	5,939

2023	Sensitivity Long position	Sensitivity Short position	Total sensitivity
Impact on equity	+/- 52,700	+/- 0	+/- 52,700
Impact on profit/loss (+ increase / - decrease)	+/- 4,557	+/- 0	+/- 4,557

34.1. Capital management

The Company's capital management is based on monitoring and compliance with the capital adequacy requirements.

The Company also manages its capital to be able to continue its business activities while maximising returns for shareholders through the optimisation of debt and capital balances.

For management purposes, the Company considers as capital all components that form the regulatory capital of a securities broker (including share capital, retained earnings, profit or loss for the current period, and funds from the revaluation of financial assets measured at fair value through other comprehensive income). The value of regulatory capital as at 31 December 2024 was CZK 835,257 thousand (2023: CZK 798,797 thousand).

In regulatory capital, the Company includes all items of equity, except for the profit for the current period. Regulatory capital is reduced by the amount of intangible assets (goodwill and software) and by the amount of deferred tax assets. No other instruments are included in the regulatory capital.

In 2024 and 2023, there was no decrease in capital that would lead to a breach of the capital ratio conditions in accordance with the applicable IFR/IFD regulations.

35. Estimated fair value of the Company's financial assets and liabilities

The carrying amounts of financial assets and liabilities measured at amortised cost do not differ considerably from their fair values. In most cases, these are short-term receivables and payables with an original maturity of less than one year. The Company analysed the difference between the reporting of financial instruments with fixed interest rate and effective interest rate. The resulting difference is immaterial.

The fair value of these assets and liabilities (excluding receivables from restitution claims) is determined as the present value of future cash flows. Since the time value is negligible and the credit risk is reflected in the impairment loss, the difference between the carrying amount and the fair value is insignificant.

The fair value of receivables from Romanian restitution claims is determined based on the latest available prices at which these receivables were acquired. The difference between the market price and the carrying amount is not significant.

36. Fair value of financial instruments

Financial assets and financial liabilities held for trading, and other financial assets at fair value through profit or loss, are reported at fair value in accordance with the accounting policies.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in the valuation. The fair value hierarchy comprises the following levels:

a. quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2),
c. inputs for assets or liabilities that are not based on observable market data (unobservable inputs) (Level 3).

2024	Total equity In CZK thousands	Level 1 In CZK thousands	Level 2 In CZK thousands	Level 3 In CZK thousands
Financial assets measured at fair value				
Financial assets held for trading				
- Listed shares and equity securities	**59,423**	59,423	0	0
- Fair value of financial derivatives	**112,936**	0	112,936	0
Other financial assets measured at fair value				
- Unquoted bonds	**1,776**	0	0	1,776
- Unlisted units	**536,481**	0	0	536,481
Financial liabilities held for trading				
- Liabilities from short sales of shares	**-36**	-36	0	0
- Fair value of financial derivatives	**-107,889**	0	-107,889	0
Total equity	**602,691**	**59,387**	**5,047**	**538,257**

2023	Total equity In CZK thousands	Level 1 In CZK thousands	Level 2 In CZK thousands	Level 3 In CZK thousands
Financial assets measured at fair value				
Financial assets held for trading				
- Listed shares and equity securities	**45,574**	45,574	0	0
- Fair value of financial derivatives	**104,335**	0	104,335	0
Other financial assets measured at fair value				
- Unquoted bonds	**513**	0	0	513
- Unlisted units	**481,429**	0	0	481,429
Financial liabilities held for trading				
- Liabilities from short sales of shares	**0**	0	0	0
- Fair value of financial derivatives	**-99,064**	0	-99,064	0
Total equity	**532,787**	**45,573**	**5,271**	**481,942**

Financial instruments measured at fair value based on Level 3

2024	Unquoted bonds In CZK thousands	Unlisted units In CZK thousands
Opening balance	**513**	**481,429**
Purchases	3,014,513	2,849,670
Maturities of bonds	0	0
Sales	3,013,251	2,794,618
Closing balance	**1,776**	**536,481**

2023	Unquoted bonds In CZK thousands	Unlisted units In CZK thousands
Opening balance	**66,295**	**283,654**
Purchases	2,448,506	854,568
Maturities of bonds	0	0
Sales	2,514,288	656,794
Closing balance	**513**	**481,429**

Unlisted units for which Level 3 fair value measurement is used are primarily real estate sub-fund certificates that the Company sells to investors.

The following table summarises how fair value is determined for financial assets and financial liabilities (particularly, the method used to determine fair value and the inputs used for valuation):

Financial assets / financial liabilities	Level	Method used to determine fair value	Significant unobservable inputs	Sensitivity of fair value to unobservable inputs
Listed shares and equity securities	1	Market prices on regulated markets	N/A	N/A
Liabilities from short sales	1	Market prices on regulated markets	N/A	N/A
Financial derivatives	2	Discounted cash flows based on forward exchange rates	N/A	N/A
Unlisted units	3	Yield method based on expected cash flows discounted by the average cost of capital (WACC)	The value of the WACC parameter, determined using the CAPM model The amount of expected cash flows based on the expected growth of sales	An increase in the WACC parameter would lead to a decrease in the fair value of unlisted units A reduction in expected sales growth would lead to a decrease in the fair value of unlisted units
Unquoted bonds	3	Yield method based on expected cash flows discounted by a rate incorporating both risk-free and risk-related components (issuer risk, underlying assets risk, etc.)	The amount of expected cash flows based on the cash flows of the underlying assets The amount of the risk-free rate for individual currencies and other components that determine the market discount rate	A decrease in expected cash flows from the underlying assets or an increase in the discount rate would lead to a decrease in the market price of unquoted bonds

The impact of changes in the fair value of financial assets, for which Level 3 fair value measurements are used, on the Company's income and expenses was CZK 36,981 thousand in 2024 (2023: CZK 24,697 thousand).

37. RELATED PARTIES

Throughout the year, the Company entered into the following transactions with related parties of the WOOD & Company Group S.A.

37.1. Key management of the Company

The key management of the Company consists of its ultimate owners. Throughout the accounting period, short-term remuneration to the key management amounted to CZK 5,147 thousand (2023: CZK 5,147 thousand). The key management comprises three individuals who hold the authority and responsibility for the planning, management, and oversight of the Company's activities. The key management did not receive any other compensation.

37.2. WOOD & Company Group S.A. ("WOOD SA")

As at 31 December 2024, the Company reported a receivable of CZK 191,823 thousand (2023: CZK 78,391 thousand) from WOOD SA, included under the line item "Receivables from loans on the money market" in Note 15.

As at 31 December 2024, the Company had no liability to WOOD SA.

The Company reports interest income of CZK 7,245 thousand (2023: CZK 7,788 thousand) from a loan provided to WOOD SA.

37.3. Other related parties

As at 31 December 2024 and 31 December 2023, the Company reports the following transactions with other related parties, which the Company considers to be companies in the same holding group in accordance with [IAS 24.9b vi.] with the exception of the parent company WOOD & Company Group S.A.

	2024 In CZK thousands	2023 In CZK thousands
Trade and other receivables	167	173
Trade and other payables	-28,196	16
Interest income	0	0
Interest expenses	3,933	0
Fee and commission expense	0	0
Operating costs	819	725
Other income	-31,092	491

37.4. Related parties outside WOOD & Company Group S.A.

As at 31 December 2024, the Company reports the following transactions outside WOOD & Company Group S.A., according to IAS 24.

2024	Closely related parties under IAS 24.9a (iii) In CZK thousands	Other related parties under IAS 24.9b In CZK thousands
Trade and other receivables	469,497	268,657
Trade and other payables	11,619	103
Interest income	0	0
Interest expenses	196	0
Fee and commission income	568	345

2023	Closely related parties under IAS 24.9a (iii) In CZK thousands	Other related parties under IAS 24.9b In CZK thousands
Trade and other receivables	447,291	285,408
Trade and other payables	2,663	51
Interest income	0	0
Interest expenses	196	0
Fee and commission income	568	345

38. Results of branches

The company has branches in Romania, Poland, Slovakia, Italy, and Ireland.

As at 31 October 2024, the foreign branch WOOD & Company Financial Services United Kingdom, registered office: 16 Berkeley Street, London W1J 8DZ, ceased to exist. Its activities were transferred to the newly established WOOD & Company Financial Services Ltd.

Overview of the results of the branches of WOOD & Company Financial Services a.s.

United Kingdom (31 October 2024)	31 December 2024	31 December 2023
Net turnover, in CZK thousands	8,771	44,068
Profit/(loss) before tax, in CZK thousands	34	34
Income tax expense, in CZK thousands	0	0
State support	0	0
Average number of employees	7	7
Romania:		
Net turnover, in CZK thousands	20,918	20,918
Profit/(loss) before tax, in CZK thousands	950	950
Income tax expense, in CZK thousands	142	142
State support	0	0
Average number of employees	5	5
Poland:		
Net turnover, in CZK thousands	111,016	72,868
Profit/(loss) before tax, in CZK thousands	-2,957	-2,957
Income tax expense, in CZK thousands	0	0
State support	0	0
Average number of employees	22	22
Slovakia:		
Net turnover, in CZK thousands	42,988	22,895
Profit/(loss) before tax, in CZK thousands	-7,597	-7,458
Income tax expense, in CZK thousands	0	0
State support	0	0
Average number of employees	10	10
Italy:		
Net turnover, in CZK thousands	159,017	118,419
Profit/(loss) before tax, in CZK thousands	6,607	6,486
Income tax expense, in CZK thousands	-1,009	-991
State support	0	0
Average number of employees	15	16
Ireland:		
Net turnover, in CZK thousands	5,737	6,181
Profit/(loss) before tax, in CZK thousands	-129	-127
Income tax expense, in CZK thousands	0	0
State support	0	0
Average number of employees	1	1

39. ASSETS UNDER ADMINISTRATION, CUSTODY AND MANAGEMENT

Company's total portfolios	As at 31 December 2024 In CZK thousands	As at 31 December 2023 In CZK thousands
Assets accepted for administration and custody	77,128,614	45,661,099
Assets accepted for management	1,603,438	25,466,159

"Assets accepted for administration and custody" do not include assets amounting to CZK 1,387,548 thousand (2023: CZK 15,107,482 thousand), which are accepted for both management and administration and custody at the Company.

Within the sister company WOOD Retail Investments a.s., the Company transferred the assets for administration, custody and management as at 31 December 2023.

40. OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

The Company enters into agreements with counterparties that provide for the final net settlement of gains and losses.

The Company enters into foreign exchange transactions with counterparties – banks that may hold its cash accounts. The fair value of these short-term foreign exchange transactions is immaterial relative to the volume of funds deposited with the banks. In the event of a counterparty default, the fair values of the foreign exchange transactions disclosed in Note 14 may be offset.

The Company enters into repurchase (repo) and reverse repurchase (reverse repo) transactions with counterparties, using securities as collateral. As at 31 December 2024, no repo transactions were entered into that could be offset against other transactions with the same counterparty and reported in the Company's statement of financial position.

The Company enters into transactions for the purchase and sale of securities. These transactions are recorded in the statement of financial position as receivables or payables from securities trading. Receivables and payables from securities trading are recorded in the accounting records by individual currencies and counterparties; therefore, they are reported in the statement of financial position at net amounts.

The Company is obliged to deposit part of the funds as collateral for the settled volume of trades with settling counterparties. This collateral cannot be withdrawn against specific transactions; therefore, it cannot be offset in the statement of financial position.

41. CONTINGENT LIABILITIES

The members of the Board of Directors of the Company are of the opinion that, as at the date of the financial statements, the Company is not exposed to any contingent liabilities, and accordingly, no provisions to that effect have been made.

42. SUBSEQUENT EVENTS

There have been no other significant events after the date of the financial statements that would have a material impact on the financial statements for the year ended 31 December 2024.

(signature)
………………………………………………………
Vladimír Jaroš
Chairman of the Board of Directors

PŘEKLADATELSKÁ DOLOŽKA / *TRANSLATOR'S CLAUSE*

Já, Mgr. Lucia Zemanová, IČ: 68539045, soudní tlumočnice a překladatelka jazyka českého a anglického, zapsaná v seznamu tlumočníků a překladatelů vedeném Ministerstvem spravedlnosti České republiky, tímto potvrzuji, že jsem osobně provedla překlad připojené listiny a že tento překlad souhlasí s textem předmětné listiny. /
I, Mgr. Lucia Zemanová, ID: 68539045, a court translator and interpreter of the Czech and English language, registered in the list of interpreters and translators maintained by the Ministry of Justice of the Czech Republic, hereby certify that I personally translated the attached document and that this translation corresponds to the text of the said document.

Tento úkon je zapsán v evidenci úkonů Ministerstva spravedlnosti pod č.: /
This translation is registered in the list of translations maintained by the Ministry of Justice under no.:

124193 / 2025

V Praze, dne / *Prague,* 1 June 2025

Mgr. Lucia ZEMANOVÁ * SOUDNÍ PŘEKLADATEL jazyka českého a anglického *

Lucia Zemanová