J&T SECURITIES MANAGEMENT PLC

REPORT AND FINANCIAL STATEMENTS
31 December 2023

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Year ended 31 December 2023

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Jarmila Janosova Baris John Nicolaides BGS Director I Limited
Company Secretary:	D. H. Nominees Ltd
Independent Auditors:	KPMG Limited 14, Esperidon Street 1087, Nicosia Cyprus
Registered office:	Klimentos, 41-43 Klimentos Tower, 1st floor, Flat/Office 18 1061, Nicosia Cyprus
Bankers:	J&T Banka, a.s. 365.bank, a.s. Raiffeisenbank a.s.
Legal Entity Identifier:	315700GBLUBZ50S45F53
Registration number:	HE260821

MANAGEMENT REPORT

The Board of Directors presents its report and audited separate financial statements of the Company for the year ended 31 December 2023.

Principal activities and nature of operations of the Company
The principal activities of the Company, which are unchanged from last year, are the holding of investments and trading in listed securities, as well as the provision of financing.

Review of current position, future developments and performance of the Company's business
The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

As part of the Company's plans for future development, is the use of the total net proceeds from the listed bonds issue for refinancing of present debts purposes and for developing its business activities. In addition, the provision of funding to companies coming from the group of the shareholder.
However, the bonds have been repaid in 2024 and the Company is no longer listed entity.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 7, 8 and 27 of the financial statements.

Use of financial instruments by the Company
The Company is exposed to market risk, interest rate risk, credit risk and liquidity risk from the financial instruments it holds.

The Company's financial risk management objectives and policies are to acquire ownership, investments and assets in financial markets and private equity. Nowadays, the company also provides funding to companies in the shareholder group. In the future, the company will continue to do so, while planning to increase the share of the investment to the detriment of its own exposure to group companies.

Market risk
Please refer to note 7.1.

Interest rate risk
Please refer to note 7.2.

Credit risk
Please refer to note 7.3.

Liquidity risk
Please refer to note 7.4.

Results and Dividends
The Company's results for the year are set out on page 12.

Dividends
The Board of Directors may recommend the payment of a dividend after the financial statements are issued.

Share capital
There were no changes in the share capital of the Company during the year under review.
Authorised and Issued capital
Under its Memorandum the Company fixed its share capital at 1.000 ordinary shares of nominal value of €1 each.

On 18 August 2011, the Company increased its authorised share capital by 10.000 ordinary shares of nominal value of €1 each. As a result, the authorised share capital of the Company increased to 11.000 ordinary shares of nominal value of €1 each.

On 20 June 2018, the Shareholders resolved with a Special Resolution, to increase the Authorised Share Capital of the Company by 15.000 ordinary shares, of nominal value of €1 per share.
The total Authorised Share Capital after the increase is 26.000 shares.
The new shares were all issued.

On 30 December 2019, the Shareholders resolved with a Special Resolution, to increase the Authorised Share Capital of the Company by 6.000 ordinary shares, of nominal value of €1 per share.
The total Authorised Share Capital after the increase is 32.000 shares.
The new shares were all issued.

On 3 March 2020, Company increased its authorised share capital from 32.000 to 58.470 shares by the creation of 26.470 new shares, of nominal value of €1 per share.

On 20 November 2020, the Company increased its authorised share capital from 58.470 to 60.970 shares by the creation of 2.500 new shares, of nominal value of €1 per share.

On 7 December 2020, the Company increased its authorised share capital from 60.970 to 70.970 shares by the creation of 10.000 new shares, of nominal value of €1 per share.

On 30 July 2021, the Company increased its share capital from 70.970 to 75.970 shares by the creation of 5.000 new shares, of nominal value of €1 per share.

Issued capital

Upon incorporation on 14 January 2010 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

On 18 August 2011, the Company increased its share capital by 10.000 ordinary shares of nominal value of €1 each at a total share premium of €50.914.000. As a result, the issued share capital of the Company increased to 11.000 ordinary shares of nominal value of €1 each.

On 20 June 2018, the Company increased its share capital by 15.000 ordinary shares of nominal value of €1 each. As a result, the issued share capital of the Company increased to 26.000 ordinary shares of nominal value of €1 each.

On 30 December 2019, the Company increased its share capital by 6.000 ordinary shares of nominal value of €1 each at a total share premium of €5.994.000. As a result, the issued share capital of the Company increased to 32.000 ordinary shares of nominal value of €1 each.

On 3 March 2020, Company increased its share capital from 32.000 to 58.470 shares. The new 26.470 shares issued are issued at their nominal value of €26.470 and a total share premium of €59.973.530.

On 20 November 2020, the Company increased its share capital from 58.470 to 60.970 shares. The new 2.500 shares issued are issued at their nominal value of €2.500 and a total share premium of €4.997.500.

On 7 December 2020, the Company increased its share capital from 60.970 to 70.970 shares. The new 10.000 shares issued are issued at their nominal value of €10.000 and a total share premium of €19.990.000.

On 30 July 2021, the Company increased its share capital from 70.970 to 75.970 shares. The new 5.000 shares are issued at their nominal value of €5.000 and a premium of €9.995.000.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2023 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2023.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Significant events after the end of the financial year
Any significant events that occurred after the end of the reporting period are described in note 30 to the financial statements.

Independent Auditors
The Independent Auditors, KPMG Limited, were appointed in replacement of the previous auditors KPSA Chartered Accountants and have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

D.H. NOMINEES LTD

Michalis Hadjinestoros
for and on behalf of
D. H. Nominees Ltd
Secretary

Nicosia, 29 April 2024

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the financial statements of J&T Securities Management Plc (the "Company") for the year ended 31 December 2023, on the basis of our knowledge, declare that:

(a) The annual financial statements of the Company which are presented on pages 12 to 66:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Company and the entities included in the financial statements as a whole and

b) The management report provides a fair view of the developments and the performance as well as the financial position of the Company as a whole, together with a description of the main risks and uncertainties which they face.

Members of the Board of Directors:

Jarmila Janosova

Baris John Nicolaides

BGS Director I Limited

Nicosia, 29 April 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2023

	Note	**2023** €	2022 €
Revenue	9	**89.608.152**	39.229.236
Net profit from investing activities	10	**15.552.644**	11.699.690
Administration expenses		**(4.847.345)**	(962.923)
Net impairment loss on financial assets		**(1.307.773)**	(233.461)
Other expenses	11	**(424.771)**	(2.437.762)
Operating profit		**98.580.907**	47.294.780
Finance costs	14	**(43.243.011)**	(38.323.201)
Profit before tax		**55.337.896**	8.971.579
Tax	15	**(899.592)**	(286.874)
Net profit for the year		**54.438.304**	8.684.705
Other comprehensive income			
Items that will not be classified subsequently to profit or loss:			
		-	-
Items that may be classified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income - Fair value (losses)/gains		**(4.064)**	1.021.036
Financial assets at fair value through other comprehensive income - Loss transferred to net profit due to disposal		**-**	(251.850)
Net reversal of impairment on debt investments		**987.846**	-
		983.782	769.186
Other comprehensive income for the year		**983.782**	769.186
Total comprehensive income for the year		**55.422.086**	9.453.891

STATEMENT OF FINANCIAL POSITION
31 December 2023

	Note	2023 €	2022 €
ASSETS			
Non-current assets			
Investments in subsidiaries	16	**260.066**	-
Financial assets at fair value through other comprehensive income	17	**3.769.984**	78.534.862
Loans receivable	18	**28.925.285**	3.583.250
Total non-current assets		**32.955.335**	82.118.112
Current assets			
Trade and other receivables	19	**72.064.433**	14.328.292
Loans receivable	18	**139.224.960**	14.848.926
Financial assets at fair value through profit or loss	20	**541.327.540**	324.939.409
Cash at bank	21	**157.280**	146.012
Total current assets		**752.774.213**	354.262.639
Total assets		**785.729.548**	436.380.751
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**75.970**	75.970
Share premium		**151.864.030**	151.864.030
Fair value reserve		**17.861**	1.001.643
Retained earnings		**99.687.266**	45.248.962
Total equity		**251.645.127**	198.190.605
Non-current liabilities			
Borrowings	23	**194.603.043**	112.461.115
Provisions for other liabilities and charges		**610.549**	78.085
Total non-current liabilities		**195.213.592**	112.539.200
Current liabilities			
Trade and other payables	25	**332.514**	282.319
Borrowings	23	**338.413.888**	125.361.633
Current tax liabilities	26	**124.427**	6.994
Total current liabilities		**338.870.829**	125.650.946
Total liabilities		**534.084.421**	238.190.146
Total equity and liabilities		**785.729.548**	436.380.751

On 29 April 2024 the Board of Directors of J&T Securities Management Plc authorised these financial statements for issue.

....	....	....
Jarmila Janosova	Baris John Nicolaides	Julius Zubor for and on behalf of BGS Director I Limited
Director	Director	Director

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2023

	Note	Share capital €	Share premium €	Fair value reserve - Financial assets at fair value through other comprehensive income €	Retained earnings €	Total €
Balance at 1 January 2022		**75.970**	**151.864.030**	**232.457**	**36.564.257**	**188.736.714**
Comprehensive income						
Net profit for the year		-	-	-	8.684.705	8.684.705
Other comprehensive income for the year		-	-	769.186	-	769.186
Total comprehensive income for the year		-	-	769.186	8.684.705	9.453.891
Balance at 31 December 2022/ 1 January 2023		**75.970**	**151.864.030**	**1.001.643**	**45.248.962**	**198.190.605**
Comprehensive income						
Net profit for the year		-	-	-	54.438.304	54.438.304
Other comprehensive income for the year		-	-	(983.782)	-	(983.782)
Total comprehensive income for the year		-	-	(983.782)	54.438.304	53.454.522
Balance at 31 December 2023		**75.970**	**151.864.030**	**17.861**	**99.687.266**	**251.645.127**

Share premium is not available for distribution.

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

CASH FLOW STATEMENT
Year ended 31 December 2023

	Note	**2023** €	2022 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**55.337.896**	8.971.579
Adjustments for:			
Exchange difference arising on the translation of non-current assets in foreign currencies		**6.966.380**	(1.242.826)
Unrealised exchange loss		**4.212.884**	1.961.357
Loss/(profit) from the sale of financial assets at fair value through other comprehensive income		**305.505**	(9.969)
Loss from the sale of financial assets at fair value through profit or loss		**-**	3.433.800
Fair value gains on financial assets at fair value through profit or loss		**(30.830.693)**	(1.819.391)
(Reversal of impairment)/impairment charge - debt investments at fair value through other comprehensive income	17	**(987.846)**	749.716
Impairment charge on other guarantees	20	**463.609**	-
Impairment charge/(reversal of impairment) on loans to related parties	28	**1.842.531**	(524.539)
(Reversal of impairment)/impairment charge of trade receivables	19	**(11.002)**	8.284
Impairment charge of bank deposits	19	**481**	-
Dividend income	9	**(12.878.889)**	(4.779.912)
Interest income	9	**(9.038.897)**	(4.821.517)
Interest expense	14	**20.196.647**	12.522.425
		35.578.606	14.449.007
Changes in working capital:			
(Increase)/decrease in trade and other receivables		**(57.725.620)**	7.390.189
Increase in financial assets at fair value through profit or loss		**(193.135.595)**	(27.553.260)
Increase in bank deposits		**(3.508)**	(115.203)
Increase/(Decrease) in trade and other payables		**50.195**	(34.268.341)
Set off of coupon payments on bonds issued		**269.634**	-
Cash used in operations		**(214.966.288)**	(40.097.608)
Interest received		**11.497.095**	9.041.504
Dividends received		**12.878.889**	4.779.912
Tax paid		**(782.159)**	(286.826)
Net cash used in operating activities		**(191.372.463)**	(26.563.018)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of financial assets at fair value through other comprehensive income		**(136.585.732)**	(189.650.821)
Payment for purchase of investments in subsidiaries	16	**(260.066)**	-
Loans granted		**(332.094.989)**	(134.950.340)
Loans repayments received		**181.022.694**	178.860.198
Proceeds from sale of financial assets at fair value through other comprehensive income		**208.661.432**	129.909.665
Interest received		**6.706**	113.083
Net cash used in investing activities		**(79.249.955)**	(15.718.215)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		**(1.210.227.012)**	(1.185.283.597)
Proceeds from borrowings		**1.466.320.076**	1.219.493.020
Proceeds from sale of repurchased own debentures		**19.280.974**	128.386.761
Unrealised exchange (loss)		**(8.001.168)**	(1.504.666)

The notes on pages 19 to 66 form an integral part of these financial statements.

CASH FLOW STATEMENT
Year ended 31 December 2023

	Note	**2023**	2022
		€	€
Interest paid		**(16.870.410)**	(12.549.545)
Repayment of repurchased debentures		**(60.366.554)**	(123.886.315)
Payment of coupon of repurchased debentures		**(401.733)**	971.607
Repayment of expenses from issued debentures		**(12.838)**	(148.971)
Net cash generated from financing activities		**189.721.335**	25.478.294
Net decrease in cash and cash equivalents		**(80.901.083)**	(16.802.939)
Cash and cash equivalents at beginning of the year		**(14.947.852)**	1.973.831
Effect of exchange rate fluctuations on cash held		**156.177**	(118.744)
Cash and cash equivalents at end of the year	**21**	**(95.692.758)**	(14.947.852)

1. Incorporation and principal activities

Country of incorporation

The Company J&T Securities Management Plc (the ''Company'') was incorporated and domiciled in Cyprus since 14 January 2010 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Klimentos, 41-43, Klimentos Tower, 1st floor, Flat/Office 18, 1061, Nicosia, Cyprus.

Change of Company name

On 20 June 2018, following the conversion of the Company to a Public Limited Company, the Company changed its name from J&T Securities Management Limited to J&T Securities Management PLC.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and trading in listed securities, as well as the provision of financing.

The Company has listed bonds which have been repaid in 2024.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of, and financial assets and financial liabilities at fair value through profit or loss.

The Company has also prepared consolidated financial statements in accordance with IFRSs as adopted by the EU for the Company and its subsidiaries (the ''Group''). The consolidated financial statements can be obtained from its registered address.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2023 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

3. Functional and presentation currency

The financial statements are presented in Euro (€) which is the functional currency of the Company.

4. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.
The amendments require the disclosure of "material" rather than "significant" accounting policies.

5. Material Accounting Policies

The material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

5. Material Accounting Policies (continued)

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Revenue

- **Interest income**

  Interest income is recognised using the effective interest method.

- **Dividend income**

  Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as revenue in profit or loss when the right to receive payment is established.

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance income

Interest income is recognised using the effective interest method.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

5. Material Accounting Policies (continued)

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Dividends

Final dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.
Interim dividend distributions are recognised in the Company's financial statements in the year that they are paid.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The Company considers information such as the stated policies and objectives for the portfolio and the operation of those policies, the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed, how managers of the business are compensated, or the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.
The assessment of the contractual cash flow characteristics means whether the financial instruments' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a lending arrangement, the SPPI test is not passed. When performing the SPPI test, the Company takes into consideration the following factors: non-standard interest rate, financial leverage, early repayment options, longer repayment options, non-recourse arrangement, contract-linked instruments, hybrid instruments, instruments purchased with a significant discount/premium.

5. Material Accounting Policies (continued)

Financial assets (continued)

Financial assets - Classification (continued)

The Company has more than one business model for managing its financial instruments, which reflects how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.
The Company defines business models as follows:
"Hold and collect"
"Hold, collect and sell"
"Mandatorily at fair value"
"Trading"
"Fair value option"

The strategy "Hold and collect" has as its objective to hold financial assets in order to collect contractual cash flows of both principal and interest payments.
The strategy "Hold, collect and sell" has as its objective to both collect contractual cash flows and sell financial assets.
The strategy "Mandatorily at FV" is used for financial assets that are held for the purpose of holding and collecting or holding and collecting and selling, but that have not passed the SPPI test and cannot be measured at AC or FVOCI. The major investments of the Company are presented in this category.
The strategy "Trading" has active trading as its objective. Assets for which this strategy is used are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.
The strategy "Fair value option" is used for assets that are at initial recognition irrevocably designated as measured at FVTPL in order to eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising gains and losses using different bases.

Financial assets - Recognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price.

5. Material Accounting Policies (continued)

Financial assets (continued)

Financial assets - Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Loans and advances to customers: Loans and advances granted by the Company are classified as originated loans and receivables. Loans and advances are reported net of impairment allowance.
Modifications of the contractual terms may result in derecognition of the original asset when the changes to the terms of the loans are considered substantial. The Company considers modifications substantial, if the discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 % different from the discounted present value of the remaining cash flows of the original loan. In such case, the original financial asset is derecognized and a new financial asset is recognized at its fair value. The difference between the carrying amount of the derecognized asset and the fair value of the new asset is recognized in the consolidated income statement.
For all loans, where the modification of terms did not result in the derecognition of the loan, the gross carrying amount of the modified loan is recalculated based on the present value of the modified cash flows discounted at the original effective interest rate and any gain or loss from the modification is recorded in the income statement.

Sale and repurchase agreements: Where securities are sold under a commitment to repurchase at a predetermined price (repos), they remain on the statement of financial position and a liability is recorded equal to the consideration received. Conversely, securities purchased under a commitment to resell (reverse repos) are not recorded on the statement of financial position and the consideration paid is recorded as a loan. The difference between the sale price and the purchase price is treated as interest and accrued evenly over the life of the transaction. Repos and reverse repos are recognised on a settlement date basis.

5. Material Accounting Policies (continued)

Financial assets (continued)

Financial assets - Measurement (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in revenue in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

5. Material Accounting Policies (continued)

Financial assets (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 7, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 7, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 7, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

5. Material Accounting Policies (continued)

Financial assets (continued)

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

For the purpose of ECL measurement cash and cash equivalents are included in Stage 1. The ECL for these balances represents an insignificant amount, therefore the Company did not recognise any credit loss allowance for due from other banks.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

5. Material Accounting Policies (continued)

Financial assets (continued)

Financial liabilities - Modifications (continued)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Derivative financial instruments

Derivatives are initially recognised at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and any changes therein are generally recognised in profit or loss. Fair value is calculated using the current values, discounted cash flow analysis or option valuation methods. Derivatives are recorded as assets when their fair value is positive and as liabilities when their fair value is negative.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

5. Material Accounting Policies (continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Fair value measurement

The carrying amounts of the Company's financial assets and liabilities approximate their fair value at the reporting date.

The fair value of financial assets traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

All assets, liabilities and equity items for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - 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 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

6. New accounting pronouncements

The following standards, amendments to standards and interpretations are effective for the first time for the year ended 31 December 2023, and have been applied in preparing the Company’s financial statements.

6. New accounting pronouncements (continued)

At the date of approval of these financial statements the following accounting standards were issued by the International Accounting Standards Board but were not yet effective:

(i) Adopted by the European Union

- *IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2023).*

Amendments
IFRS Interpretations Committee

- *Amendments to IFRS 17 "Insurance Contracts" Initial Application of IFRS 17 and IFRS 9 - Comparative Information(effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 12 - "Income Taxes": Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 12 - "Income Taxes:" International Tax Reform - Pillar Two Model Rules (effective for annual periods beginning on or after 1 January 2023). The amendments introduce a temporary exemption to the requirements regarding deferred taxes under IAS 12, and an entity will not recognise or disclose information about deferred tax assets and liabilities related to pillar two income taxes. The Company decided to apply this exemption.*

(ii) Not adopted by the European Union

Amendments

- *Amendments to IAS 1 Presentation of Financial Statements:*
  • Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020);
  • Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and
  • Non-current Liabilities with Covenants (issued on 31 October 2022) (effective for annual periods beginning on or after 1 January 2023).
- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on 25 May 2023) (effective for annual periods beginning on or after 1 January 2024).*
- *Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022) (effective for annual periods beginning on or after 1 January 2024).*
- *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023) (effective for annual periods beginning on or after 1 January 2025).*

6. New accounting pronouncements (continued)

The Board of Directors expects that the adoption of these standards in future periods will not have a material effect on the financial statements of the Company.

7. Financial risk management

Financial risk factors
The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

7.1 Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and that such changes will affect The Company's income or the value of its holdings of financial instruments.

Sensitivity analysis
The sensitivity analysis refers to a percentage amount added or deducted from the input and the effect this has on the fair value. The sensitivities are shown under the adverse or favourable effect headings based on whether the particular change in an input has an adverse (negative) or favourable (positive) impact on the fair value of the investment. As per this analysis, EBITDA relates to the projected EBITDA for the entire projected period (including perpetuity). For example, the 5% favourable sensitivity for BHP's EBITDA in amount of EUR 714 thousand (2022: EUR 923 thousand) means for the Group that if BHP's EBITDA was to increase by 5% consistently over the entire projected period (and perpetuity), the isolated favourable effect of such a change in the fair value of the investment as at the valuation date would equal the stated amount. Similarly, the 0,5pp favourable sensitivity for BHP's Discount rate in amount of EUR 773 thousand (2022: EUR 1.215 thousand) means for the Group that if 0,5% was deducted from the discount rate used in the management's DCF valuation of BHP (i.e., the discount rate was decreased by 0,5 percentage point), the isolated favourable effect of such a change on the fair value of the investment as at the valuation date would equal the stated amount.

In thousands of EUR		2023			
Financial asset	**Input**	**Adverse effects**		**Favourable effects**	
		Sensitivity used	**Effect on FV - €th**	**Sensitivity used**	**Effect on FV- €th**
Shares of Best Hotel Properties a.s. (BHP)	EBITDA	(5,0%)	(714)	5,0%	714
	Discount rate	0,5pp	(681)	(0,5pp)	773

In thousands of EUR		2022			
Financial asset	**Input**	**Adverse effects**		**Favourable effects**	
		Sensitivity used	**Effect on FV- €th**	**Sensitivity used**	**Effect on FV- €th**
Shares of Best Hotel Properties a.s.(BHP)	EBITDA	(5,0%)	(923)	5,0%	923
	Discount rate	0,5pp	(1.064)	(0,5pp)	1.215

7. Financial risk management (continued)

7.2 Interest rate risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or reprice at different times or in differing amounts. The length of time for which the rate of interest is fixed on a financial instrument therefore indicates to what extent it is exposed to interest rate risk. The table below provides information on the extent of the Company's interest rate exposure based either on the contractual maturity date of its financial instruments or, in the case of instruments that reprice to a market rate of interest before maturity, the next repricing date. Those assets and liabilities that do not have a contractual maturity date or are non interest-bearing are grouped together in the "maturity undefined" category.

Sensitivity analysis

An analysis of the Company's sensitivity to an increase or decrease in market interest rates on the non-trading portfolio, assuming no asymmetrical movement in yield curves and a constant financial position, is as follows:

		Equity		Profit or loss
	2023	2022	**2023**	2022
	€th	€th	**€th**	€th
decrease in interest rates by 100 bp	**(3.609)**	(912)	**(2.248)**	(3.674)
increase in interest rates by 100 bp	**3.609**	912	**2.248**	3.674

7.3 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions. Further, credit risk arises from financial guarantees and credit related commitments.

(i) Risk management

Credit risk is managed on an individual basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of 'C'.

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- financial assets at amortised cost
- financial assets carried at FVOCI
- cash and cash equivalents
- credit commitments
- financial guarantees.

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's/counterparty's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower/counterparty
- significant increases in credit risk on other financial instruments of the same borrower/counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower/counterparty, including changes in the payment status of counterparty in the Company and changes in the operating results of the borrower/counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Low credit risk

The Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency.

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.-Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

Loans to related parties

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2023 and 31 December 2022:

Company external credit rating	**2023**	2022
	€	€
Performing	**168.150.245**	18.432.176
Total	**168.150.245**	18.432.176

The Company does not hold any collateral as security for any loans to related parties.

There were no significant loans to related parties written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Company assesses, on an individual basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2023 and 31 December 2022:

Company external credit rating	**External credit rating**	**2023**	2022
		€	€
Performing	Baa3	**157.280**	146.012
Total		**157.280**	146.012

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Company does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Bonds at amortised cost

The Company assesses, on an individual basis, its exposure to credit risk arising from bonds at amortised cost. This assessment takes into account, ratings from external credit rating institutions, if external are not available.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2023 and 31 December 2022:

Company external credit rating	2023	2022
	€	€
Performing	3.372.376	78.035.748
Total	**3.372.376**	78.035.748

The Company does not hold any collateral as security for any debt instruments.

(iii) Net impairment losses on financial and contract assets recognised in profit or loss

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets and contract assets:

Impairment losses	2023	2022
	€	€
Impairment charge - other guarantees	(463.609)	-
Impairment charge - debt investments at fair value through other comprehensive income	(2.183)	(1.007.011)
Impairment charge - loans to related parties	(1.842.531)	(77.682)
Impairment charge - trade receivables	(487)	(8.291)
Impairment charge - bank deposits	(481)	-
Reversal of impairment - debt investments at fair value through other comprehensive income	990.029	257.295
Reversal of impairment - loans to related parties	-	602.221
Reversal of impairment - trade receivables	11.489	7
Net impairment loss on financial assets	**(1.307.773)**	(233.461)

(iv) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Company will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Company is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Company monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

7. Financial risk management (continued)

7.4 Liquidity risk
Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2023	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years
	€	€	€	€	€	€
Bank loans	149.468.364	155.965.691	109.300.174	-	46.665.517	-
Debentures	56.786.732	56.786.732	100.770.732	(43.984.000)	-	-
Bank overdrafts	95.731.327	113.411.135	32.506.256	73.160.844	7.744.035	-
Trade and other payables	30.848	30.848	30.848	-	-	-
Payables to related parties	83.440	83.440	83.440	-	-	-
Loans from own subsidiaries	154.141.660	213.077.686	5.005.309	7.473.188	12.609.593	187.989.596
Loans from related parties	76.888.848	78.411.786	-	78.411.786	-	-
	533.131.219	**617.767.318**	**247.696.759**	**115.061.818**	**67.019.145**	**187.989.596**

31 December 2022	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	64.633.323	64.633.323	64.633.323	-	-	-	-
Debentures	144.436.278	144.436.278	(16.624.235)	62.373.884	98.686.629	-	-
Bank overdrafts	14.978.661	14.978.661	-	14.978.661	-	-	-
Trade and other payables	123.178	123.178	123.178	-	-	-	-
Payables to related parties	66.970	66.970	66.970	-	-	-	-
Loans from related parties	13.774.486	13.774.486	-	-	13.774.486	-	-
	238.012.896	**238.012.896**	**48.199.236**	**77.352.545**	**112.461.115**	**-**	**-**

7.5 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar, the British Pound and the Czech koruna. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

7. Financial risk management (continued)

7.5 Currency risk (continued)

		Liabilities		**Assets**
	2023	2022	**2023**	2022
	€	€	**€**	€
USD	**-**	92.000	**1.109.049**	338.000
Euro	**376.179.142**	156.151.062	**484.705.467**	191.086.752
CZK	**153.879.710**	81.869.000	**298.827.279**	244.851.000
GBP	**-**	-	**103.740**	105.000
	530.058.852	238.112.062	**784.745.535**	436.380.752

Sensitivity analysis

A 1% strengthening of the Euro against the following currencies at 31 December 2023 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 1% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

		Equity		**Profit or loss**
	2023	2022	**2023**	2022
	€th	€th	**€th**	€th
Euro	**-**	-	**-**	-
CZK	**(1.434)**	(957)	**(1.434)**	(957)
USD	**(11)**	1	**(11)**	31
GBP	**(1)**	-	**(1)**	-
	(1.446)	(956)	**(1.446)**	(926)

7.6 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

Fair value measurements recognised in statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - 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 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

7. Financial risk management (continued)

Fair value estimation (continued)

Fair value measurements recognised in statement of financial position (continued)

31 December 2023	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
J&T Investment Pool - I- CZK, a.s.	-	-	84.561.722	84.561.722
J&T Investment Pool - I - SKK, a.s	-	-	29.490.232	29.490.232
Best Hotel Properties a.s.	-	-	1.807.207	1.807.207
J&T OSTRAVICE ACTIVE LIFE	-	-	269.596	269.596
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova CZK	-	183.103.944	-	183.103.944
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova EUR	-	188.128.043	-	188.128.043
Red Stone Now s.r.o.	-	-	984.013	984.013
CEZ (CZK)	17.327.495	-	-	17.327.495
PRABOS PLUS	140.756	-	-	140.756
AUTOLUS THERAPEUTICS PLC	1.109.049	-	-	1.109.049
CATANA GROUP	5.148.000	-	-	5.148.000
Derivative Option	-	-	8.252.910	8.252.910
J&T ARCH CONVERTIBLE SICAV.	-	-	974.267	974.267
J&T ARCH INVESTMENTS, podfond J&T ARCH INV. - dividend. CZK	-	9.436.306	-	9.436.306
J&T ARCH INVESTMENTS, podfond J&T ARCH INV. - dividend. EUR	-	-	10.594.000	10.594.000
JTBANK 7	-	194.082	-	194.082
RPF III 2026	-	1.117.133	-	1.117.133
FRAT.FUNDS	-	774.054	-	774.054
NUPEH CZ	-	1.287.106	-	1.287.106
J&T BK III 9% PERP	-	78.400	-	78.400
J&T BK II 9% PERP	-	229.898	-	229.898
J&T BANKA 10% PERP	-	23.783	-	23.783
J&T FG 7,5% PERP	-	65.523	-	65.523
Total	**23.725.300**	**384.438.272**	**136.933.947**	**545.097.519**

31 December 2022	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
J&T Investment Pool - I- CZK, a.s.	-	-	82.891.951	82.891.951
J&T Investment Pool - I - SKK, a.s	-	-	45.197.124	45.197.124
Best Hotel Properties a.s.	-	-	3.554.173	3.554.173
J&T OSTRAVICE ACTIVE LIFE	-	-	263.938	263.938
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova CZK	-	22.906.485	-	22.906.485
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova EUR	-	78.208.203	-	78.208.203
Red Stone Now s.r.o.	-	-	1.537.443	1.537.443
Derivative Option	-	-	2.530.089	2.530.089
J&T ARCH CONVERTIBLE SICAV.	-	-	976.524	976.524
Total	-	101.114.688	136.951.242	238.065.930

8. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Calculation of loss allowance**

  When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

  Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

  Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Critical judgements in applying the Company's accounting policies

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **Impairment of investments in subsidiaries**

  The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

8. Critical accounting estimates and judgments (continued)

- **Impairment of loans receivable**

  The Company periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 7, Credit risk section.

- **Provisions**

  The amount recognised for provisions is estimated based on Board of Directors' past experience and its future expectations. However, the actual outcome may vary from the amount recognised.

- **Measurement of fair values**

  A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial assets and liabilities.

  When measuring the fair value of an asset or a liability, the Company uses observable market inputs as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

  Level 1: quoted priced (unadjusted) in active markets for identical assets or liabilities.

  Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

  Level 3: inputs for the asset or liability that are not based on observable market date (unobservable inputs).

  If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same fair value hierarchy as the lowest level input that is significant to the entire measurement category.

  The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

  The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor on a valuation technique for which any observable inputs are judged to be insignificant for the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, the difference is recognised in profit and loss on an appropriate basis but no later than when the valuation is wholly supported by observable market inputs or the transaction is closed out.

9. Revenue

Disaggregation of revenue	**2023**	2022
	€	€
Dividend from overseas	**12.878.889**	4.779.912
Interest income calculated using effective interest rate	**1.285.613**	1.387.848
Loan interest income calculated using effective interest rate	**7.746.578**	3.320.586
Net gain on trading in financial instruments	**33.419.328**	17.639.323
Net fair value gains on financial assets at fair value through profit or loss	**34.277.744**	12.101.567
	89.608.152	39.229.236

Interest income is analysed as follows:

	2023	2022
	€	€
Financial assets carried at amortised cost:		
Receivables from reverse repurchase agreements	**871.116**	107.242
Other loans and receivables	**6.875.462**	3.426.941
Financial assets carried at FVOCI (Note 17)	**1.285.613**	1.174.250
Total interest income	**9.032.191**	4.708.433

10. Net profit from investing activities

	2023	2022
	€	€
Profit from sale of financial assets at fair value through other comprehensive income	**333.652**	57.710
Interest income	**6.706**	113.083
Exchange profit	**19.298.494**	25.292.614
Loss from sale of financial assets at fair value through other comprehensive income	**(639.157)**	(47.741)
Loss from sales of financial assets at fair value through profit or loss	**-**	(3.433.800)
Fair value losses on financial assets at fair value through profit or loss	**(3.447.051)**	(10.282.176)
	15.552.644	11.699.690

11. Other expenses

	2023	2022
	€	€
Loss from equity derivatives	**-**	1.987.927
Broker commission and charges	**424.771**	449.835
	424.771	2.437.762

12. Expenses by nature

	2023	2022
	€	€
Staff costs (Note 13)	**9.008**	9.464
Auditors' remuneration for the statutory audit of annual accounts	**97.000**	34.000
Auditors' remuneration - prior years	**6.460**	6.460
Accounting fees	**61.880**	61.880
Directors' remuneration	**5.200**	5.200
Other professional fees	**227.459**	127.606
Directors' fees	**71.400**	64.500
Legal and professional	**21.436**	-
Mediatory services	**9.735**	250.229
Other consultancy services	**309.150**	299.020
Administration and fees for bonds	**3.682.084**	97.955
Other expenses	**346.533**	6.609
Total expenses	**4.847.345**	962.923

13. Staff costs

	2023	2022
	€	€
Salaries	**8.450**	8.450
Social security costs	**389**	845
Social cohesion fund	**169**	169
	9.008	9.464

Average number of employees (including Directors in their executive capacity):		
Full time	**-**	-
Part time	**2**	2
	2	2

14. Finance costs

	2023	2022
	€	€
Finance costs		
Interest expense		
Loan interest	**4.691.270**	1.138.133
Bank overdraft interest	**3.629.993**	1.320.491
Loan interest on REPO agreements	**5.111.023**	2.738.828
Debenture interest	**6.764.361**	7.324.973
Sundry finance expenses		
Bank charges	**278.611**	65.166
Net foreign exchange losses		
Realised foreign exchange loss	**5.737.450**	6.615.302
Unrealised foreign exchange loss	**17.030.303**	19.120.308
	43.243.011	38.323.201

15. Tax

	2023	2022
	€	€
Corporation tax - current year	**185.089**	83.634
Corporation tax - prior years	**5.703**	-
Overseas tax	**708.749**	203.240
Defence contribution - current year	**51**	-
Charge for the year	**899.592**	286.874

The tax on the Company's profit before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2023	2022
	€	€
Profit before tax	**55.337.896**	8.971.579
Tax calculated at the applicable tax rates	**6.917.237**	1.121.447
Tax effect of expenses not deductible for tax purposes	**5.909.068**	6.553.518
Tax effect of allowances and income not subject to tax	**(12.651.224)**	(7.591.331)
10% additional charge	**10.008**	-
Defence contribution current year	**51**	-
Prior year tax	**5.703**	-
Overseas tax in excess of credit claim used during the year	**708.749**	203.240
Tax charge	**899.592**	286.874

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

16. Investments in subsidiaries

	2023 €	2022 €
Balance at 1 January	-	-
Additions	260.066	-
Balance at 31 December	**260.066**	-

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2023 Holding %	2022 Holding %	2023 €	2022 €
JTSEC Financing I a.s.	Slovak Republic	Issuance of bonds and provision of loans	100	-	**88.000**	-
J&T Arch Bond I., a.s.	Slovak Republic	Issuance of bonds and provision of loans	100	-	**88.000**	-
JTSEC CZ Financing 1, a.s.	Czech Republic	Issuance of bonds and provision of loans	100	-	**84.066**	-
					260.066	-

JTSEC Financing I a.s.

Per the Notarial Deed concluded on 16 January 2023, the Company incorporated JTPEG Financing I a.s., a joint stock company registered in the Slovak Republic, with registered capital of €80.000 comprising of 80 shares with a nominal value of €1.000 each.
An additional amount of €8.000 was paid as a premium.
Per the resolution on the change of business name concluded on 16 February 2023, its name changed from JTPEG Financing a.s. to JTSEC Financing I a.s.

J&T Arch Bond I., a.s.

Per the Notarial Deed concluded on 21 February 2023, the Company incorporated JTSEC Financing II, a.s., a joint stock company registered in the Slovak Republic, with registered capital of €80.000 comprising of 80 shares with a nominal value of €1.000 each.
The Company undertakes to pay issue rate to its issued shares in the amount of €88.000 which shall be repaid before filing of before submitting a proposal for company registration at companies register and from which the amount of €8.000 is share premium which will be used for creation reserve fund of the company.
Per the resolution on the change of business name concluded on 24 October 2023, its name changed from JTSEC Financing II a.s. to J&T Arch Bond I., a.s.

JTSEC CZ Financing 1, a.s.

Per the Notarial Deed concluded on 28 February 2023, the Company incorporated JTSEC CZ Financing 1, a.s., a joint stock company registered in the Czech Republic, with registered capital of CZK 2.000.000 comprising of 2.000.000 shares with a nominal value of CZK 1 each.

17. Financial assets at fair value through other comprehensive income

	2023	2022
	€	€
Balance at 1 January	**78.534.862**	18.698.516
Additions	**135.650.919**	190.400.537
Disposals	**(213.305.097)**	(131.516.452)
Reversal of impairment/(Impairment charge)	**987.846**	(749.716)
Exchange differences	**611.777**	508.258
Revaluation difference transferred to equity	**4.064**	19.469
Interest income	**1.285.613**	1.174.250
Balance at 31 December	**3.769.984**	78.534.862

Perpetual notes are designated as financial assets at fair value through other comprehensive income. These investments in fair value instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, Management of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

		Cost		Fair values
	2023	2022	2023	2022
	€	€	€	€
Perpetual notes listed on a Stock Exchange	**407.365**	513.180	**397.608**	499.114
Debt securities	**3.209.783**	76.173.841	**3.372.376**	78.035.748
	3.617.148	76.687.021	**3.769.984**	78.534.862

(A) On 31 December 2022, the Company holds 29 pieces of fixed rate perpetual notes of J&T Banka 10% PERP, 16 pieces of fixed rate perpetual notes of J&T Banka 9% PERP EUR, 58 pieces of fixed rate perpetual notes of J&T Banka 9% PERP CZK and 18 pieces of fixed rate perpetual notes of J&T FG 7,5% PERP CZK.

Additionally, on 31 December 2022, the Company holds 80 coupon bonds in J&T Energy Financing CZK I, a.s. (JTEF CZKI 5,00/23), 10.000 coupon bonds in Eurovea, a.s. (EUROVEA 5,5/2027), 13 coupon bonds in Retail Property Finance III, s.r.o (RPF III 2026), 88.000 coupon bonds in JTPEG Croatia Financing I, a.s. (JTPEG C.F. 0,00/27), 150 coupon bonds in J&T Energy Financing EUR XI, a.s. (JTEF XI 4,25/2027), 2.000 coupon bonds in Fraternity Funds SICAV PLC (FRAT.FUNDS 5,25/26), 87.415 coupon bonds in J&T Energy Financing CZK V, a.s. (J&TEF CZ V 8,50/27) and 5.000 coupon bonds in NUPEH CZ s.r.o. (NUPEH CZ 5,90/25).

(B) On 31 December 2023, the Company holds 6 pieces of fixed rate perpetual notes of J&T Banka 10% PERP, 16 pieces of fixed rate perpetual notes of J&T Banka 9% PERP EUR, 58 pieces of fixed rate perpetual notes of J&T Banka 9% PERP CZK and 18 pieces of fixed rate perpetual notes of J&T FG 7,5% PERP CZK.

Additionally, on 31 December 2023, the Company holds 13 coupon bonds in Retail Property Finance III, s.r.o (RPF III 2026), 2.000 coupon bonds in Fraternity Funds SICAV PLC (FRAT.FUNDS 5,25/26), 5.000 coupon bonds in NUPEH CZ s.r.o. (NUPEH CZ 5,90/25) and 190 coupon bonds in J&T Banka, a.s. (JTBANK 7 1/2 10/26/26).

(i) Disposal of equity investments

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

(ii) Disposal of debt investments

On disposal of these debt investments, any related balance within the FVOCI reserve is reclassified to profit or loss.

17. Financial assets at fair value through other comprehensive income (continued)

(iii) Amounts recognised in profit or loss and other comprehensive income

The following are included in profit or loss with respect to financial assets at fair value through other comprehensive income:

	2023	2022
	€	€
Profit from sale of financial assets at fair value through other comprehensive income	**333.652**	57.710
Loss from sale of financial assets at fair value through other comprehensive income	**(639.157)**	(47.741)
Reversal of impairment - debt investments at fair value through other comprehensive income	**990.029**	257.295
Impairment charge - debt investments at fair value through other comprehensive income	**(2.183)**	(1.007.011)
Net profit/(loss) on financial assets at fair value through other comprehensive income	**682.341**	(739.747)

18. Loans receivable

	2023	2022
	€	€
Balance at 1 January	**18.432.176**	65.693.153
New loans granted	**332.094.989**	134.950.340
Repayments	**(187.478.706)**	(185.966.498)
Interest charged	**6.875.462**	3.213.344
Reversal of impairment / (Impairment charge)	**(1.773.676)**	541.837
Balance at 31 December	**168.150.245**	18.432.176

	2023	2022
	€	€
Loans to related parties (Note 28.5)	**168.150.245**	18.432.176
	168.150.245	18.432.176
Less current portion	**(139.224.960)**	(14.848.926)
Non-current portion	**28.925.285**	3.583.250

The loans are repayable as follows:

	2023	2022
	€	€
Within one year	**139.224.960**	14.848.926
Between one and five years	**28.925.285**	3.583.250
	168.150.245	18.432.176

The exposure of the Company to credit risk in relation to loans receivable is reported in note 7 of the financial statements.

18. Loans receivable (continued)

The effective interest rates on receivables (current and non-current) were as follows:

	2023	2022
Loans receivable	**-**	5% - 5,20%
Loans to related parties	**4,5%, 5,30% + 3M EURIBOR, 3,97% + 6M EURIBOR, 5,664% + 6M EURIBOR**	4,5%, 5,30% + 3M EURIBOR

I. During 2022 and 2023, Loans to related parties relate to the following:

(i) On 1 March 2021, the Company ("Creditor") entered into a Credit Contract No.46/JSML/2021/JTPE with J&T Private Equity B.V. ("Debtor"), for the granting of a loan with a credit limit in the amount of €100.000.000, which bears interest at the rate of 4,50% per annum and is repayable until 5 March 2024.

Per Amendment No.1 signed on 27 September 2023, the principal amount of the loan increased to €160.000.000.

The loan was fully repaid on 5 March 2024.

(ii) On 11 February 2022, the Company ("Creditor") entered into a Loan Contract No.49/JSML/2022/JTPE with J&T Private Equity B.V. ("Debtor"), for the granting of a loan in the amount of €14.900.000, which bears interest at the rate of 5,30% per annum and is repayable until 17 December 2022.

Per Amendment No.1 signed on 30 November 2022, the repayment date was extended until 1 September 2023. From 1 December 2022, the interest rate was agreed at 3Month Euribor plus 5,30% per annum.

Per Amendment No.2 signed on 16 June 2023, the principal amount of the loan increased to €41.900.000 and the repayment date is extended until 19 April 2024.

Per Amendment No.3 signed on 18 September 2023, the principal amount of the loan increased to €56.900.000 which shall be provided not later than on 15 September 2023.

Per Amendment No.4 signed on 21 December 2023, the principal amount of the loan increased to €86.900.000 which shall be provided not later than on 21 December 2023.

Per Amendment No.5 signed on 18 March 2024, the principal amount of the loan increased to €101.900.000 which shall be provided not later than on 18 March 2024.

(iii) On 30 May 2023, the Company ("Lender") entered into a Senior Term Intra-Group Facility Agreement with J&T Private Equity B.V. ("Borrower"), for the granting of a loan up to the amount of €30.500.000, which bears interest of 6M Euribor plus 3,97% per annum and is repayable until 28 May 2028.

(iv) On 21 November 2023, the Company ("Creditor") entered into a Credit Contract No.51/JSML/2023/JTPE with J&T Private Equity B.V. ("Debtor"), for the granting of a loan in the amount of €30.000.000, which bears interest of 6M Euribor plus 5,664% per annum and is repayable until 15 October 2024. The first repayment of the accrued interest is due on 4 December 2023 and the second repayment of the accrued interest is due on 28 December 2023.
From this date the accrued interest is due on monthly base, at the last working day of respective month starting from 31 January 2024.

19. Trade and other receivables

	2023	2022
	€	€
Trade receivables	**23.948.715**	4.501.962
Less: credit loss on trade receivables	**(2.167)**	(13.169)
Trade receivables - net	**23.946.548**	4.488.793
Deposits and prepayments	**-**	49.113
Loans receivable	**48.029.885**	9.790.386
Prepayments	**88.000**	-
	72.064.433	14.328.292

For a summary of key terms and conditions relating to the balances with related parties, refer to note 28 of the financial statements.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 7 of the financial statements.

(A) (i) On 31 December 2022, Trade receivables mainly relate to the balances of broker accounts held with a regulated financial institution and to the following Agreements.

On 31 March 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the acquisition of 60.548.395 shares in J&T Arch Investments SICAV for the purchase price of €70.054.493,02.
The Parties agreed that the transfer of the shares may occur in one or several transactions by 31 May 2022.
The part of the purchase price in the amount of €18.512.000 for the transfer of 16.000.000 pieces of the securities was settled by the Company.
The remaining part of the Purchase Price is payable within five days from the delivery of the Notice to the Buyer in the amount equal to €1,157 for one share multiplied by the amount of the relevant transferred securities.
The transfers occurred within five business days from the delivery of the Notices.

On 1 April 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the acquisition of 1.077.493.319 shares in J&T Arch Investments SICAV for the purchase price of CZK 1.250.969.743,36.
The Parties agreed that the transfer of the shares may occur in one or several transactions by 31 May 2022.
The part of the purchase price in the amount of CZK 252.509.743,36 for the transfer of 217.493.319 pieces of the securities was settled by the Company.
The remaining part of the Purchase Price is payable within five days from the delivery of the Notice to the Buyer in the amount equal to CZK 1,161 for one share multiplied by the amount of the relevant transferred securities.
The transfers occurred within five business days from the delivery of the Notices.

(ii) On 31 December 2023, Trade receivables mainly relate to the balances of broker accounts held with a regulated financial institution.

(B) As at 31 December 2022, Loans receivable represent a REPO Agreement for 8.050.000 shares in POSTNL NV. The Company purchased and agreed to buy back the above shares for a total of €9.787.995 plus interest.

As at 31 December 2023, Loans receivable represent a REPO Agreement for 11.040.000 shares in POSTNL NV and 1.328.500 shares in CEZ. The Company purchased and agreed to buy back the above shares for a total of €9.883.891,20 plus interest and €38.059.488,32 plus interest, respectively.

19. Trade and other receivables (continued)

(C) Option on shares instruments relate to the following:

On 30 December 2020, the Company ("Seller") entered into a Call and Put Option Agreement with J&T Private Equity Group Limited ("JTPEG", "Purchaser") according to which, JTPEG shall have the right to purchase the shares that the Company has in its ownership, which consist of 6.024.022 ordinary shares of nominal value of €1,00 per piece, issued by Best Hotel Properties a.s. The remuneration for the exercise of the Put Option or the Call Option shall be €10.060.116,74, which shall be payable within two months following the exercise date. The exercise date shall be the day of delivery of the Call Option or the Put Option Notice. The Call and Put Option Period starts from the date of the signing of this Agreement and ends on 30 December 2021.

On 30 December 2021, the Company entered into an Amendment No.1 to the Call and Put Option Agreement concluded on 30 December 2020 with J&T Private Equity Group Limited ("JTPEG") according to which, the Call and Put Option Period is extended until 31 December 2022 (inclusive). In the case when JTPEG exercises the Call Option, the right of the Company to exercise the Put Option ceases to exist.

On 29 December 2022, the Company entered into an Amendment No.2 to the Call and Put Option Agreement concluded on 30 December 2020 with J&T Private Equity Group Limited ("JTPEG") according to which, the Call and Put Option Period is extended until 31 December 2023 (inclusive). In the case when JTPEG exercises the Call Option, the right of the Company to exercise the Put Option ceases to exist.

On 29 December 2023, the Company entered into an Amendment No.3 to the Call and Put Option Agreement concluded on 30 December 2020 with J&T Private Equity Group Limited ("JTPEG") according to which, the Call and Put Option Period is extended until 31 December 2024 (inclusive). In the case when JTPEG exercises the Call Option, the right of the Company to exercise the Put Option ceases to exist.

On 11 March 2024, the Company entered into an Amendment No.4 to the Call and Put Option Agreement concluded on 30 December 2020 with J&T Private Equity Group Limited ("JTPEG") according to which, the Call and Put Option is terminated and cease to exist. The parties have agreed that JTPEG shall pay to the Company compensation for the loss incurred with the sale of shares to a third party. The compensation shall be €10.060.116,74 minus the purchase price agreed by the SPA for the sale of shares, which shall be payable within two months following the final purchase price agreement date.

(D) Prepayments relate to the following:

Per the Notarial Deed concluded on 30 November 2023, the Company incorporated JTSEC Financing III a.s., a joint stock company registered in the Slovak Republic, with registered capital of €80.000 comprising of 80 shares with a nominal value of €1.000 each.
An additional amount of €8.000 is paid as a premium.
JTSEC Financing III a.s. was registered on 4 January 2024.

20. Financial assets at fair value through profit or loss

	2023	2022
	€	€
Financial assets mandatorily measured at fair value through profit or loss in accordance with IFRS 9		
Securities listed on a Stock Exchange	**23.994.896**	68.507.884
Non-listed securities	**509.079.735**	253.889.882
Option on share instruments	**8.252.909**	2.530.089
	541.327.540	324.927.855

20. Financial assets at fair value through profit or loss (continued)

	2023	2022
	€	€
Balance at 1 January	**324.939.409**	300.242.364
Additions	**2.411.941.271**	1.995.194.844
Disposals	**(2.218.805.676)**	(1.973.051.758)
Change in fair value	**30.830.693**	1.819.391
Exchange differences	**(7.578.157)**	734.568
Balance at 31 December	**541.327.540**	324.939.409

Fair value measurement of assets for trading

	2023	2022
	€	€
Fair value of assets for trading		
Level 1 - quoted market prices	**23.725.300**	66.650.298
	23.725.300	66.650.298
Fair value of derivatives		
Level 2 – derived from quoted prices	**-**	11.555
Level 3 – calculated using valuation techniques	**8.252.909**	2.530.089
	8.252.909	2.541.644

	Fair values 2023	**Cost 2023**	Fair values 2022	Cost 2022
	€	**€**	€	€
Securities listed on a Stock Exchange	404.393.593	292.587.182	68.519.438	62.455.757
Securities non-listed	128.411.442	202.406.920	253.625.944	350.830.013
Option on share instrument	8.252.909	11.270.789	2.530.089	11.270.789
Investment funds units	269.596	281.760	263.938	288.859
	541.327.540	**506.546.651**	324.939.409	424.845.418

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in revenue.

20. Financial assets at fair value through profit or loss (continued)

The Company's investments which exceeded 5% of the class "Securities listed on a Stock Exchange" are shown below:

Investment	Type of investment	Percentage in the investment category	**2023**	2022
			€	€
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova CZK	Security	14,90%	**151.430.447**	22.906.485
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova EUR	Security	15,70%	**150.864.543**	78.208.203
J&T Ostravice Active Life	Unit certificate	11,05%	**269.596**	263.938
Best Hotel Properties a.s. (BHP)	Security	18,76%	**1.807.207**	3.554.173
J&T Investment Pool -I- SKK, a.s.	Security	36,89%	**29.490.232**	45.197.124
J&T Investment Pool -I- CZK, a.s.	Security	79,00%	**84.561.722**	82.891.951
CEZ, a.s.	Security	0,08%	**17.327.495**	-
Red Stone Now s.r.o.	Ordinary shares	49,90%	**984.014**	1.537.443
Red Stone Now SK a.s.	Ordinary shares	49,75%	**-**	-
J&T ARCH INVESTMENTS, podfond J&T ARCH INV. - dividend. CZK	Dividend shares	8,28%	**9.436.306**	-
J&T ARCH INVESTMENTS, podfond J&T ARCH INV. - dividend. EUR	Dividend shares	100,00%	**10.594.000**	-
			456.765.562	234.559.317

Associates measured at fair value through profit or loss

(i) Investment in Red Stone Now s.r.o.

On 31 October 2018, the Company ("New Shareholder") signed a "Declaration on the Transfer of Deposit Obligations" with Red Stone Now, s.r.o.
Per the agreement, the sole shareholder of Red Stone Now, s.r.o., decided to increase the share capital by CZK 200.000, of which CZK 199.600 were undertaken by the Company and CZK 400 by the existing shareholder.
Based on this, the Company holds the 49,9% of the share capital in Red Stone Now, s.r.o.

According to the "Shareholder Contract" signed on 31 October 2018 the Company is the owner of the Investor Share which represents the 49,9% of the share capital for the amount of CZK 199.600 and the shareholder of the remaining share capital is the owner of the Founding Share which represents 50,1% of the share capital for the amount of CZK 200.400.

20. Financial assets at fair value through profit or loss (continued)

Based on the Agreement, the "Founding Share" bears the following characteristics:

(a) The obligation of joint selling, which means that in a case of disposal of shares the Founding shares will have to be disposed under the same conditions as the Investor's share will be sold.
(b) The obligation not to transfer his interest to another partner or to a third party without the prior consent of the holder of the Investor Share.
(c) The obligation not to impose on his share without prior consent of the holder of the Investor Share any of the third party rights in particular no liens or pre-emption rights.

On the other hand, "Investor Share" bears the following characteristics:

(a) A preferential right to a share in the profits.
(b) A preferential right to a share in any personal funds determined by the General meeting to be paid to the shareholders.
(c) Preferential right to share in the entire liquidation balance.
(d) The right to be informed immediately by the holder of the Founding Share in case an offer is received from third party for the purchase of Founding share and the right of the holder of the Investor Share to sell it under the same terms as the Founding Share.
(e) The obligation not to transfer his interest to another partner or to a third party without the prior consent of the holder of the Founding Share.

Per Amendment No.1 signed on 22 January 2020, the Preferred Right to a Profit Share and Preferred Right to Share in Other Company Resources and Priority Right to the Liquidation Balance and Right to Joint Selling shall be terminated at the moment the Company, on the basis of Preferred Rights to Profit Share and Preferential Right to Share of Other Company Resources, will pay the Investor an amount equal to the actually provided Investment plus interest at the amount of 12,4 % p.a. of the actually provided Investment, i.e. after subtracting the amount already paid.

Per the "Agreement on Provision of Surcharge" concluded on 31 October 2018, the Company and Red Stone Now s.r.o., agreed that the Company shall provide to Red Stone Now s.r.o. the additional amounts of CZK 9.954.373 as a "First Surcharge" and the amount of CZK 40.000.000 as a "Second Surcharge".

Per the "Settlement Contract" dated 31 October 2018, the Company ("Creditor"), and Red Stone Now, s.r.o., according to which:
(1) the Company has a receivable amounting to CZK 50.153.973 (Principal: CZK 50.000.000 plus Accrued Interest: CZK 153.973) for the repayment of the loan and the loan receivable concluded on 24 September 2018;
(2) the Company owes to Red Stone Now, s.r.o. the amount of CZK 199.400 for acquisition of the shares in Red Stone Now, s.r.o.; and
(3) the Company owes to Red Stone Now, s.r.o. the amount of CZK 49.954.373 (representing the first and second surcharges) under the "Agreement on Provision of Surcharge" concluded on 31 October 2018, the Parties agreed to set off their mutual claims.

However, on 20 November 2018, the Company ("Pledgor") concluded an Agreement on Pledge of Shareholding Interest with a third party ("Pledgee") according to which the Company has established a Pledge for the shares held in Red Stone Now s.r.o. in favour of the Pledgee to secure the receivable of the Pledgee under the Loan Agreement dated 11 November 2018 (initial amount CZK 50.000.000).

Per Amendment No.1 to Agreement on Pledge of Shareholding Interest concluded on 7 December 2022, the Company used its right to participate on the increase of the registered capital of the Red Stone Now s.r.o. in the amount of CZK 104.432 and the pledge is amended to include the additional shareholding.

Per Amendment No.2 signed on 1 December 2022, the Company made an additional voluntary contribution outside of Red Stone Now, s.r.o. share capital in the amount of CZK 70.491.913. It is also agreed that Red Stone Now, s.r.o. will return the additional payment outside of its share capital in the amount of CZK 76.266.359 to the Company. The amount was received on the same day.

20. Financial assets at fair value through profit or loss (continued)

Per the Resolution of the General Meeting of Red Stone Now, s.r.o. on 2 December 2022, it increases its share capital from CZK 400.000 to CZK 609.283.
The Company made a contribution in the amount of CZK 104.432.

(ii) Investment in Red Stone Now SK a.s.

On 15 July 2020, the Company subscribed for 99 newly issued shares by Red Stone Now SK a.s. with a nominal value of €500 per share. The monetary contribution for the subscription is equal to the total nominal value of the shares, €49.500, which is payable up to 15 working days following the subscription of the new shares.
The total issued share capital amounts to €99.500 and corresponds to 199 shares. The shareholding of the Company further to the subscription is 49,75%.
The contribution was settled on 16 July 2020.

On 26 January 2021, the Company ("Pledgor 2") entered into an Agreement on the establishment of a lien on shares with a third party ("Pledgee") and an individual ("Pledgor 1") for the proper fulfilment of the Secured Receivables of the Pledgee against the Debtor, Red Stone Now SK a.s., which result from the Loan Agreement signed between the Pledgee as the Creditor and the Debtor. The initial credit provided amounts to €2.000.000 and the total 99 shares held by the Company and the total 100 shares held by Pledgor 1 are pledged.

On 8 February 2021, the Company ("Depositor 2") entered into the Custody Agreement of paper securities with an individual ("Depositor 1") and a third party ("Custodian"), according to which, the Custodian undertakes to take over from Depositor 1 mass stock no.1 replacing 100 pieces of shares issued by Red Stone Now SK a.s. and from the Company mass stock no.2 replacing 99 pieces of shares issued by the same party. The Retribution for the activity of this Contract is €1 per Depositor and it is paid immediately after the Contract is signed.
The Retribution was settled on 7 April 2021.

21. Cash at bank

	2023	2022
	€	€
Cash at bank and in hand	**39.050**	30.809
Bank deposits	**118.711**	115.203
Accumulated impairment losses on cash and cash equivalents	**(481)**	-
	157.280	146.012

On 18 February 2022, the Company requested for an establishment of a Deposit Account with Notice period of 1 day. The amount of the initial deposit transferred to the account of the Company is CZK 1.000.000.000 and bears interest at the rate of 3,5% per annum (deposit matured on 22 March 2022).
As from 7 April 2022, the Deposit Account bears interest at the rate of 4,20% per annum.

As from 7 November 2022, the Deposit Account bears interest at the rate of 5,50% per annum.

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2023	2022
	€	€
Cash at bank and in hand	**38.569**	30.809
Bank overdrafts (Note 23)	**(95.731.327)**	(14.978.661)
	(95.692.758)	(14.947.852)

21. Cash at bank (continued)

Cash balances by currency:

	2023	2022
	€	€
Euro	**18.521**	5.101
Czech koruna	**138.759**	140.911
	157.280	146.012

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 7 of the financial statements.

22. Share capital

	2023 Number of shares	**2023 €**	2022 Number of shares	2022 €
Authorised				
Ordinary shares of €1 each	11.000	11.000	11.000	11.000
Increase of Authorised share capital in 2019 - Ordinary shares of €1 each	21.000	21.000	21.000	21.000
Increase of Authorised share capital in 2020 - Ordinary shares of €1 each	38.970	38.970	38.970	38.970
Increase of Authorised share capital in 2021 - Ordinary shares of €1 each	5.000	5.000	5.000	5.000
	75.970	**75.970**	75.970	75.970
Issued and fully paid				
Balance at 1 January	75.970	75.970	75.970	75.970
Balance at 31 December Issue of shares in 2021	**75.970**	**75.970**	75.970	75.970

Authorised and Issued capital

Upon incorporation on 14 January 2010 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

22. Share capital (continued)

On 18 August 2011, the Company increased its share capital by 10.000 ordinary shares of nominal value of €1 each at a total share premium of €50.914.000. As a result, the issued share capital of the Company increased to 11.000 ordinary shares of nominal value of €1 each.

On 20 June 2018, the Company increased its share capital by 15.000 ordinary shares of nominal value of €1 each. As a result, the issued share capital of the Company increased to 26.000 ordinary shares of nominal value of €1 each.

On 30 December 2019, the Company increased its share capital by 6.000 ordinary shares of nominal value of €1 each at a total share premium of €5.994.000. As a result, the issued share capital of the Company increased to 32.000 ordinary shares of nominal value of €1 each.

On 3 March 2020, Company increased its share capital from 32.000 to 58.470 shares. The new 26.470 shares issued are issued at their nominal value of €26.470 and a total share premium of €59.973.530.

On 20 November 2020, the Company increased its share capital from 58.470 to 60.970 shares. The new 2.500 shares issued are issued at their nominal value of €2.500 and a total share premium of €4.997.500.

On 7 December 2020, the Company increased its share capital of the Company from 60.970 to 70.970 shares. The new 10.000 shares issued are issued at their nominal value of €10.000 and a total share premium of €19.990.000.

On 30 July 2021, the Company increased its share capital from 70.970 to 75.970 shares. The new 5.000 shares are issued at their nominal value of €5.000 and a premium of €9.995.000.

23. Borrowings

	2023	2022
	€	€
Balance at 1 January	**237.822.748**	197.456.146
Additions	**1.466.320.076**	1.219.493.020
Repayments	**(1.224.698.178)**	(1.197.611.061)
Interest for the year	**17.028.037**	12.300.343
Exchange differences	**(2.977.902)**	337.946
Movement of bank loan overdraft	**80.752.667**	523.272
Repurchase of own long term debentures	**(60.366.554)**	(123.886.315)
Payment of coupon of repurchased debentures	**(401.733)**	971.607
Capitalised expenses	**(12.838)**	(148.971)
Sale of repurchased own long term debentures	**19.280.974**	128.386.761
Set-off of coupon payments on bonds issued	**269.634**	-
Balance at 31 December	**533.016.931**	237.822.748

23. Borrowings (continued)

	2023	2022
	€	€
Current borrowings		
Bank overdrafts (Note 21)	**95.731.327**	14.978.661
Bank loans	**109.006.981**	64.633.323
Debentures	**56.786.732**	45.749.649
Loans from related parties (Note 28.7)	**76.888.848**	-
	338.413.888	125.361.633
Non-current borrowings		
Bank loans	**40.461.383**	-
Debentures	**-**	98.686.629
Loans from own subsidiaries (Note 28.7)	**154.141.660**	-
Loans from related parties (Note 28.7)	**-**	13.774.486
	194.603.043	112.461.115
Total	**533.016.931**	237.822.748

Maturity of non-current borrowings:

	2023	2022
	€	€
Between one to two years	**40.461.383**	112.461.115
Between two and five years	**154.141.660**	-
	194.603.043	112.461.115

On 31 December 2022 and 2023, the bank loans and the bank loan overdraft are secured as follows:

Bank loans - REPO Agreements

- By a pledge of 1.328.500 shares in CEZ, a.s. (CEZ) in 2023 (2022: 1.874.479 shares in CEZ, a.s. (CEZ)).
- By a pledge of 11.040.000 shares in POSTNL NV in 2023 (2022: 8.050.000 shares in POSTNL NV).
- By a pledge of 686.747.960 pieces of J&T Arch Investments, podfund (CZK) and 35.450.000 pieces of J&T Arch Investments, podfund (EUR) in 2023 (2022: 308.871.212 pieces of J&T Arch Investments, podfund (CZK) and 2.691.434 pieces of J&T Arch Investments, podfund (EUR)).

Bank overdraft

- By a blank promissory note.
- By a Notarial Deed.
- By a Pledge over receivables.

23. Borrowings (continued)

The weighted average effective interest rates at the reporting date were as follows:

	2023 %	2022 %
Bank overdrafts	**3M Euribor + 5%, 6M Euribor + 5,264%, €STR +1,50%**	3M Euribor + 5%
Bank loans	**6M EURIBOR + 4,75%, 5,50%, 5,90%, 6,80%, 7,27%**	3%-6,80%
Debentures	**4,60%**	4,60%, 5%
Loans from own subsidiaries	**6M EURIBOR + 3,57%, 8,48%**	
Loans from related parties	**4%**	4%

(A) Loans from related parties during 2022 and 2023 relate to the following:

On 29 June 2021, the Company ("Debtor") entered into Credit Contract 48/JSML/2021/JTPE with J&T Private Equity B.V. ("Creditor") for the granting of a loan with a credit limit of €60.000.000, which bears interest at the rate of 4,00% per annum and is repayable until 31 December 2021.

Per Amendment No.1 signed on 29 September 2021, the credit limit was increased to the amount of €136.800.000.

Per Amendment No.2 signed on 31 December 2021, the repayment date has been extended until 31 December 2022.

Per Amendment No.3 signed on 25 March 2022, the repayment date has been extended until 30 June 2024.

As at 31 December 2022 and 2023, this loan is subordinated to Loan Agreement no. EUR 34/KTK/2022 entered into with J&T Banka, a.s. on 27 September 2022.

(B) Loans from subsidiaries during 2023 relate to the following:

(i) On 30 May 2023, the Company ("Borrower") entered into a Senior Term Intra-Group Facility Agreement with JTSEC Financing I a.s. ("Lender") for the provision of a loan up to the amount of €30.500.000. According to the Agreement, one or more loans in EUR can be made available to the Company in an aggregate outstanding amount not exceeding the Notes Limit, i.e. as of the date of this Agreement €30.000.000. The loan shall bear interest of 6M Euribor plus 3,57% per annum and shall be payable until 28 May 2028. Accrued interest is payable on 28 May and 28 November of each relevant year.

(ii) On 27 September 2023, the Company ("Borrower") entered into a Senior Term Intra-Group Facility Agreement with JTSEC CZ Financing 1, a.s. ("Lender") for the provision of a loan up to the amount of CZK 3.006.760.000. According to the Agreement, one or more loans in CZK can be made available to the Company in an aggregate outstanding amount not exceeding the Notes Limit, i.e. as of the date of this Agreement CZK 3.006.760.000. The loan shall bear interest of 8,48% per annum and shall be payable until 25 September 2028. Accrued interest is payable on 25 March and 25 September of each relevant year.

(C) Loans from other parties during 2022 relate to the following:

23. Borrowings (continued)

(i) On 20 January 2022, the Company ("Buyer") entered into an Agreement on purchase of securities with a third party ("Seller") for the acquisition of 174 pieces of ordinary shares in J&T Investment Pool - I - CZK, a.s. ("Issuer") for a purchase price of CZK 843.887.298, which will bear interest from 20 January 2022 at the rate of 2,5% per annum. The purchase price is payable within fourty five working days from the signing of this Agreement.
The purchased shares represent 34,8% of the registered capital of the Issuer.
The purchase price together with interest were settled on 2 March 2022.

(ii) On 20 January 2022, the Company ("Buyer") entered into a Securities Purchase Agreement with a third party ("Seller") for the acquisition of 63 pieces of ordinary shares in J&T Investment Pool - I - SKK, a.s. ("Issuer") for a purchase price of €10.260.495, which will bear interest from 20 January 2022 at the rate of 2,5% per annum. The purchase price is payable within fourty five working days from the signing of this Agreement.
The purchase price together with interest were settled on 2 March 2022.

(D) Bank Loans

(i) Bank loans represent REPO agreements with financial institutions.

On 06 May 2013, the Company entered into an Agreement on the Exercise of Voting Rights Associated with Shares with a regulated financial institution for the security of loans by transfer of securities.

On 31 December 2022, the bank loans represent REPO agreements for 1.874.479 shares in CEZ and 8.050.000 shares in POSTNL NV which are used as a pledge on the various REPO agreements with other financial institutions. Based on the various agreements, the Company sold and agreed to purchase back the above shares for a total of CZK 294.857.739,60 and €27.621.193,29 (for CEZ) and €9.787.995 (for POSTNL NV) plus interest.

It also holds 308.871.212 pieces of J&T Arch Investments, podfund (CZK) and 2.691.434 pieces of J&T Arch Investments, podfund (EUR), which are used as a pledge on the various REPO agreement, based on which, the Company sold and agreed to purchase back the above shares for a total of CZK 298.399.999,88 and €2.501.699,48 respectively plus interest.

On 31 December 2023, the bank loans represent REPO agreements for 1.328.500 shares in CEZ and 11.040.000 shares in POSTNL NV which are used as a pledge on the various REPO agreements with other financial institutions. Based on the various agreements, the Company sold and agreed to purchase back the above shares for a total of €38.059.488,31 (for CEZ) and €9.883.891,20 (for POSTNL NV) plus interest.

It also holds 686.747.960 pieces of J&T Arch Investments, podfund (CZK) and 35.450.000 pieces of J&T Arch Investments, podfund (EUR), which are used as a pledge on the various REPO agreement, based on which, the Company sold and agreed to purchase back the above shares for a total of CZK 806.967.999,69 and €27.863.700 respectively plus interest.

(ii) On 14 June 2022, the Company ("Borrower") entered into a Term Loan Agreement no. 99/500/22 with a financial institution ("Creditor") for the provision of a term loan in the amount of €50.050.000, for the purpose of financing and refinancing of fee for provision of loans and trades with securities.
The loan shall bear interest at the rate of 4,50% per annum and is repayable until 30 November 2022. The Company must pay a one-off fee for the provision of the loan in the amount of €50.000. If the loan is repaid prematurely within 2 months from the signing of the credit contract, the fee for premature repayment is 5%, otherwise the premature repayment is free of charge.

On 16 August 2022, the bank loan is terminated.

(iii) On 10 November 2023, the Company entered into a "Term Loan Agreement no. 99/011/23 with a financial institution for the provision of a loan in the amount of €40.000.000 for the purpose of refund of part of the purchase price of bonds (in the amount of their nominal value) issued by the Company. The loan shall bear interest of 6M Euribor plus 4,75% per annum and shall be repayable until 10 November 2025.

23. Borrowings (continued)

(E) Debentures 2018

(i) Per the Resolution of the Board of Directors signed on 14 September 2018, the Board agreed to issue 400 pieces of bonds, with possibility of increase up to 50% of the total issue volume, which have a nominal value of CZK 3.000.000 each (total of CZK 1.200.000.000) and maturity in year 2023.

(ii) On 20 September 2018, the Company ("Issuer") entered into a Mandate Agreement on provision of services related to the issue of the bonds with a regulated financial institution ("Manager") and a third party ("Arranger"), for the issue of 400 fixed rate bonds of 5% per annum, with an interest period of 6 months, in the total principal amount of CZK 1.200.000.000, due in 2023, which can be increased to 500 fixed rate bonds in the total principal amount of CZK 1.800.000.000.
The Company authorises the Arranger to proceed with various of services, since the Arranger is equipped with required experience for the provision of support to the Issuer costs of the Czech National Bank (CNB).

On 20 September 2018, the Company ("Issuer") entered into an Agreement with a regulated financial institution ("Administrator"), according to which the Administrator agrees that in relation to the issue of the bonds, it will act as an administrator, a listing agent and a calculation agent. The Administrator shall notify the Company of the total amount of financial means, which are to be remitted to the internal account of the Administrator.
The Company shall pay remuneration to the Administrator, in the manner and the maturity dates agreed by and between the Company and the Administrator in a Special Arrangement to this Agreement.

According to the Special Arrangement with the Administrator signed on the same date, the Company agrees to pay to the Administrator an annual remuneration of 0,10% of the overall volume of the issue of bonds, which is payable on the issue date for the first year and for each subsequent year, on the anniversary thereof.

Per the Agreement on Placement of Bonds signed on the same date between the Company ("Issuer") and a regulated financial institution ("Manager"), the Manager intends to ensure the process of the subscription and purchase of bonds and to identify proper subscribers who will subscribe the entire issue of bonds.
The remuneration for the services provided shall be agreed in the Special Arrangement to this Agreement.

According to the Special Arrangement to the Agreement on Placement of Bonds signed on the same date, the Company agrees to pay to the Manager a remuneration of 2% of the overall volume of the bonds subscribed during the issue period or additional issue period, which is payable retrospectively on a monthly basis against an invoice issued by the Manager after the end of each calendar month of its activity as Manager for the previous calendar month.
The remuneration specified above is exclusive of the value added tax.

In October 2018, the Company issued 400 bonds of total nominal value of CZK 1.200.000.000.
On 3 December 2018, the Company issued additionally 100 bonds of total nominal value of CZK 300.000.000.

On 31 December 2021 and 2022, the issued bonds of the Company have a total nominal value of CZK 1.500.000.000.

On 19 April 2022 and 17 October 2022, the interest payments relating to the fixed rate debentures were made.

On 17 April 2023, the interest payments relating to the fixed rate debentures were made.

The debentures issued by the Company during 2018 (JTSEC 5,00/2023) were fully settled on 16 October 2023.

(F) Debentures 2020

23. Borrowings (continued)

Per the Resolution signed on 3 February 2020, the Directors resolved to issue 1.000 additional bonds of a total nominal value of €100.000.000 with maturity in the year 2024. The bonds will be traded in the Bratislava Stock Exchange.
On 6 March 2020, 201 bonds were issued.

On 3 February 2020, the Company ("Issuer") entered into a Mandate Agreement to Procure the Issue of the Bonds with a third party ("Arranger") according to which the Company has the intention to issue senior unsecured 4,60% fixed rate bonds for the total value of €100.000.000, in individual denominations of €100.000 each, due in 2024.
The bonds may be issued once as of the Issue date or from time to time during the Subscription period and shall be traded on the Bratislava Stock Exchange.
The Company appoints the Arranger to prepare the issue of the bonds and the documents associated with the issue.

The Arranger's remuneration amounts to 0,20% of the total anticipated volume of the issue of the bonds in the nominal value.

According to the Schedule No.3 to the Mandate Agreement, dated 16 March 2020, the following investment instruments can serve as security under the Mandate:
i. Tatry Mountain Resorts, a.s.
ii. CEZ, a.s.
iii. O2 Czech Republic AS.

On 21 February 2020, the Company ("Issuer") entered into a Subscription Agreement with J&T Banka, a.s. ("Manager") according to which, the offering and the subscription of the bonds will commence on the date of the publication of the Prospectus.
The bonds will be issued with the benefit of the Administration Agreement between the issuer and the administrator.
The subscription period starts on 24 February 2020 and expires on 19 February 2021.
The Commission to be paid to the Manager as compensation for the management services is 1,60% of the nominal value of the subscribed bonds. The Commission is payable monthly based on an invoice issued by the Manager at the beginning of each month.

On 21 February 2020, the Company ("Issuer") entered into an Administration Agreement with J&T Banka, a.s. ("Administrator") according to which, the Company authorises the Administrator to act as the Issue administrator as well as the fiscal and paying agent in respect of the bonds.
The Administrator will also act as the listing agent of the bonds and is also responsible to pay out interest on the bonds and the nominal value of the bonds by transfer to an account.
A fee is payable to the Administrator for its services specified in the Side Agreement to the Administration Agreement signed on the same day, which has been agreed for the period from the issue of the bonds until the day immediately preceding the first anniversary of the Issue date and each additional year of duration of the Administration Agreement.
The fee for each period represents the 0,01% per annum of the Issue volume.

On 8 March and 6 September 2021, the interest payments relating to the fixed rate debentures were made.

On 7 March and 6 September 2022, the interest payments relating to the fixed rate debentures were made.

On 6 March and 6 September 2023, the interest payments relating to the fixed rate debentures were made.

(G) Bank loan overdraft

23. Borrowings (continued)

(i) On 19 December 2019, the Company ("Borrower") entered into a Loan Agreement No. 054/19/550088 with a financial institution ("Creditor") for the provision of a bank overdraft in the form of authorised debit balance on the Account of the Company up to the amount of €15.000.000, which bears interest at the rate of 5% per annum, which is repayable within one year after the effect of the Loan Agreement to the Account of the Company.
The following conditions should be complied with prior to the drawdown:
i. Conclusion of the Loan Agreement,
ii. Conclusion of Blank Note Issuance and Completion Agreement,
iii. Preparation and submission of a Notarial Deed on the acknowledgement of the debt and direct enforceability containing the Company's legal obligation, which constitutes an instrument permitting enforcement over the entire property of the Company,
iv. Issuance of the Company's blank promissory note and its subsequent handover to the Creditor, and
v. Payment of the processing fee for the provision of loan.
The above conditions need to be met by 19 March 2020, so as the Company to be entitled to draw the loan funds.

The fees payable relating to the loan are the following:
i. loan processing fee of €15.000 due as of the date of signature of the Loan Agreement, and
ii. Comittment fee for the amount of the loan funds not drawn at 1% per annum, subject to specific terms included in the Agreement. The fee is due on a monthly basis.

The loan is secured by:
i. a blank promissory note, and
ii. a Notarial Deed.

Per Amendment No.1 signed on 28 January 2020, the Company shall not conclude a loan contract, subject of which is receiving any form of financial assistance, within the duration of the credit relationship, without a prior written consent of the Creditor.
The condition shall not be applied in case of relationship not exceeding the amount of €10.000.000.

Per Amendment No.2 signed on 15 December 2020, the repayment date is extended until 17 December 2021.
In addition, the Company is obliged to conclude the following documentation:
Agreement on issuing and filling of the blank promissory note and the Notarial Deed on aknowledgment of obligation and direct enforceability.

The Agreement on Issuing and Filling of the Blank Promissory Note was concluded on 15 December 2020.

Per Amendment No.4 signed on 16 December 2021, the repayment date is extended until 17 December 2022.
In addition, the Company is obliged to conclude the following documentation:
Agreement on issuing and filling of the blank promissory note and the Notarial Deed on aknowledgment of obligation and direct enforceability.

Per Amendment No.5 signed on 18 May 2022, the debts subordinated to the financing provided by the Creditor shall for purposes of covenant calculation mean:
- debt from financing provided on 29 June 2021 by J&T Private Equity B.V. ("JTPE") to the Debtor on the basis of the Credit Contract No.: 48/JSML/2021/JTPE, whereas the amount of Loan was increased by the Amendment no. 1 to €136.800.000, interest rate of the provided Loan is 4,00%, whereas the interests are due at the maturity of the Loan, with maturity of the Loan extended to 30 June 2024.

The Debtor undertakes to conclude the Contract on Debt Subordination between the Creditor as the Bank, Debtor as the client and JTPE as the Subordinated Creditor within 45 days after this Amendment comes in force, subject of which will be the subordination of the Loan to the Credit Receivable.

On 1 June 2022, the Company ("Borrower") entered into a Debt Subordination Agreement No. 054/19/550088 with a financial institution ("Creditor") and J&T Private Equity B.V. ("Subordinated Creditor") for the subordination of the the Credit Contract No.: 48/JSML/2021/JTPE entered into on 29 June 2021 to the Credit Receivables.
The Company shall not provide the Subordinated Creditor with any payment until the Bank's Receivables are satisfied, with the exception of payments from the sale of securities and provided advances for the subscription of shares of J&T Arch Investments SICAV, a.s.

23. Borrowings (continued)

The bank overdraft was repaid on 29 September 2022.
According to the Affirmation on the Termination of an Obligation under a Debt Subordination Agreement, the Bank confirms that the Company repaid the credit claim under the Credit Agreement, thereby extinguishing the Subordination Oglibation arising from the Subordination Agreement.

(ii) On 26 September 2022, the Company ("Client") entered into an Overdarft Agreement No. EUR 34/KTK/2022 with a financial institution ("Creditor") for the provision of a bank overdraft up to the amount of €15.000.000, which bears interest at the rate of 3 month Euribor plus a fixed rate of 5% per annum, which is repayable until 1 September 2023.

Per Amendment No.1 signed on 25 April 2023, the credit limit was increased up to the amount of €42.500.000 and the repayment date was extended until 19 April 2024.

Per Amendment No.2 signed on 20 December 2023, the credit limit was increased up to the amount of €72.500.000.

The bank overdraft is secured by a blank promissory note.

On 26 September 2022, the Company ("Client") entered into an Agreement on Subordination of Receivables with a financial institution ("Creditor") and J&T Private Equity B.V. ("Junior Creditor") for the subordination of the Credit Contract No.: 48/JSML/2021/JTPE entered into on 29 June 2021 to the Loan Agreement No. EUR 34/KTK/2022.
The Company shall not provide the Junior Creditor with any payment until the Senior Receivables are satisfied.
Once all Senior Receivables have ceased to exist, the Bank will issue a written confirmation to the Company and the Junior Creditor.

Per Amendment No.1 signed on 25 April 2023, Secured Receivables shall include receivables for the repayment of the loan principal up to the amount of €90.000.000.

(iii) On 31 May 2023, the Company ("Client") entered into Amendment No.17 to the Master Agreement to provide non-binding credits with a financial institution ("Bank") and a related party ("Client 1") for the provision of a bank overdraft with a credit limit up to the maximum total amount of €30.000.000, based on instructions and payment orders delivered to the Bank. The bank overdraft bears interest of Estr plus 2,5% per annum for credit drawdown in EUR and the interest is repayable on a monthly basis. The bank overdraft is repayable until 31 January 2024.
The Clients shall ensure that for the duration of the credit granted under this Agreement, part of the Credit is secured by PostNL investment instruments, that do not together exceed the amount of €20.000.000, and by CEZ investment instruments, that do not together exceed the amount of €10.000.000.

The credit is secured by Security interest over receivables of both Clients.

Per Amendment No.18 to the Master Agreement to provide non-binding credits signed on 15 August 2023, the interest rate shall be amended as follows:
(i) ESTR for the respective interest period plus a fixed margin of 1,5% per annum for credit drawdown in EUR in the period from the day after the effective date of this Amendment until 31 December 2023, and
(ii) ESTR for the respective interest period plus a fixed margin of 2,5% per annum for credit drawdown in EUR in the period from 1st January 2024.

Per Amendment No.19 to the Master Agreement to provide non-binding credits signed on 25 January 2024, the interest rate shall be amended as follows:
(i) ESTR for the respective interest period plus a fixed margin of 1,5% per annum for credit drawdown in EUR in the period from the day after the effective date of this Amendment until 31 December 2024, and
(ii) ESTR for the respective interest period plus a fixed margin of 2,5% per annum for credit drawdown in EUR in the period from 1st January 2025.
The bank overdraft is repayable until 31 January 2025.

23. Borrowings (continued)

Agreement to establish security interest was concluded on 31 May 2023, according to which, the Company ("Pledgor") secures the debts of the related party ("Debtor") towards the financial institution ("Pledgee"). The Debtor's debts that are secured arise from the Master Agreement signed on 22 January 2018, as amended, which have occurred or will occur on or after the signing of this Agreement until 30 April 2027, up to the total amount of principals of all debts of €33.000.000 ("Secured Debts").

To secure the Secured Debts, the Company establishes a security interest to the benefit of the Pledgee and pledges:
(i) all of its existing and future receivables under the accounts held with the Bank,
(ii) the Company's assets accounts kept with the Bank and the Central Securities Depository ("Collateral").
For the purpose of calculating sufficient value of the Collateral, the Bank includes the following:
(i) investment rating bonds, for which at least three financial institutions provide quotations totaling at least CZK 100.000.000,
(ii) stocks or ETF with an average daily traded volume exceeding CZK 100.000.000, and
(iii) investment instruments individually accepted by the Bank, i.e. by PostNL NV and by CEZ.

(iv) On 17 October 2023, the Company ("Debtor") entered into a Credit Contract No. 010/23/550088 with a financial institution ("Creditor") for the provision of a bank overdraft in the form of authorised debit balance on the Account of the Company up to the amount of €30.000.000, which bears interest of 6M Euribor plus 5,264% per annum, which is repayable until 15 October 2024.
The following conditions should be complied with prior to the drawdown:
i. Agreement on Issuance and Filling of the Blank Promissory Note,
ii. Contract on Establishment of Pledge over Receivables,
iii. Submission of the original Confirmation of registration of the pledge over receivables,
iv. Issuance of the Company's blank promissory note and its subsequent handover to the Creditor, and
v. Payment of the processing fee for the provision of loan.
The above conditions need to be met by 15 October 2024, so as the Company to be entitled to draw the loan funds.

The fees payable relating to the loan are the following:
i. administration fee for provision of the loan of €20.000 due as of the date of signature of the Loan Agreement, and
ii. Comittment commission fee for the amount of the loan funds not drawn of 2% per annum, subject to specific terms included in the Agreement. The fee is due on a monthly basis.

The loan is secured by:
i. a blank promissory note,
ii. a Notarial Deed and,
iii. the pledge over receivables.

The Agreement on Issue and Filling of a Blank Promissory Note was concluded on 17 October 2023.

(v) On 17 October 2023, the Company ("Pledge Debtor") entered into a Contract on Establishment of Pledge over Receivables with a financial institution ("Pledgee") for the pledge of the credit receivable resulting from the Credit Contract No. 010/23/550088 concluded on 17 October 2023 ("Secured Receivables").

24. Provisions for other liabilities and charges

	Other guarantees	Loan commitments	Total
	€	€	€
Balance at 1 January 2022	-	60.786	60.786
Charged/(credited) to profit or loss	-	17.299	17.299
Balance at 31 December 2022/ 1 January 2023	**-**	**78.085**	**78.085**
Charged/(credited) to profit or loss	463.609	68.855	532.464
Balance at 31 December 2023	**463.609**	**146.940**	**610.549**

25. Trade and other payables

	2023	2022
	€	€
Trade payables	**2.935**	94.104
Social insurance and other taxes	**336**	336
VAT	**72.029**	6.281
Accruals	**145.861**	85.554
Other creditors	**27.913**	29.074
Payables to other related parties (Note 28.6)	**83.440**	66.970
	332.514	282.319

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

As at 31 December 2022 and 2023, Trade payables relate to the balances of the broker accounts held with a regulated financial institution.

26. Current tax liabilities

	2023	2022
	€	€
Corporation tax	**124.427**	6.994
	124.427	6.994

27. Operating Environment of the Company

The geopolitical situation in the Eastern Mediterranean entered an environment of uncertainty on 7 October 2023 with the terrorist attack against Israel. This follows Russia's invasion to Ukraine on 24 February 2022.

The current situation in Israel remains fluid, yet initial market sentiment suggests a lack of apprehension regarding a recurrence of severe adverse impacts on the global economy.

The continuation of Russia's invasion to Ukraine and the corresponding continuation of sanctions imposed against Russia, Belarus and organizations/individuals friendly to the Russian government as a pressure measure to prevent this situation has had a negative impact on global markets and especially on sectors such as agriculture (grain), livestock, energy (embargo on Russian oil) and tourism. However, the current situation seems to have stabilised. There is still concern about inflationary pressures and rising interbank interest rates as leverage to reduce inflation.

28. Related party transactions

The Company is controlled by J&T Private Equity Group Limited, incorporated in Cyprus, which owned 99,921% of the Company's shares.

The following transactions were carried out with related parties:

28.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2023	2022
	€	€
Directors' fees	**71.400**	64.500
Directors' remuneration	**5.200**	5.200
	76.600	69.700

28. Related party transactions (continued)

28.2 Interest income

	2023	2022
	€	€
J&T Private Equity B.V.	**6.875.462**	2.043.797
	6.875.462	2.043.797

28.3 Interest expense

	2023	2022
	€	€
J&T Private Equity B.V. (related party)	**1.125.702**	1.013.880
JTSEC Financing I, a.s. (subsidiary)	**1.270.080**	-
JTSEC CZ Financing I, a.s. (subsidiary)	**2.295.488**	-
	4.691.270	1.013.880

28.4 Services received

	2023	2022
	€	€
Bridge Global Solutions Services Limited (related party)	**213.202**	164.750
JTPEG Advisory CZ, a.s. (related party)	**534.249**	501.531
	747.451	666.281

28.5 Loans to related parties (Note 18)

	2023	2022
	€	€
J&T Private Equity B.V.	**168.150.245**	18.432.176
	168.150.245	18.432.176

28.6 Payables to related parties (Note 25)

	2023	2022
Name	**€**	€
Bridge Global Solutions Services Limited (related party)	**62.609**	55.070
JTPEG Advisory CZ, a.s. (related party)	**8.931**	-
BGS Director I Limited (Director)	**11.900**	11.900
	83.440	66.970

28.7 Loans from related parties (Note 23)

	2023	2022
	€	€
J&T Private Equity B.V.	**76.888.848**	13.774.486
JTSEC Financing I, a.s. (subsidiary)	**30.250.708**	-
JTSEC CZ Financing I, a.s. (subsidiary)	**123.890.952**	-
	231.030.508	13.774.486

28. Related party transactions (continued)

28.8 Guarantees provided to related parties

(i) On 20 November 2018, the Company ("Pledgor") concluded an Agreement on Pledge of Shareholding Interest with a third party ("Pledgee") according to which the Company has established a Pledge for the shares held in Red Stone Now s.r.o. in favour of the Pledgee to secure the receivable of the Pledgee under the Loan Agreement dated 11 November 2018 (initial amount CZK 50.000.000).

(ii) On 26 January 2021, the Company ("Pledgor 2") entered into an Agreement on the establishment of a lien on shares with a third party ("Pledgee") and an individual ("Pledgor 1") for the proper fulfilment of the Secured Receivables of the Pledgee against the Debtor, Red Stone Now SK a.s., which result from the Loan Agreement signed between the Pledgee as the Creditor and the Debtor. The initial credit provided amounts to €2.000.000 and the total 99 shares held by the Company and the total 100 shares held by Pledgor 1 are pledged.

(iii) On 20 April 2021, the Company ("Seller") entered into a Call and Put Option Agreement with J&T Private Equity Group Limited ("JTPEG", "Purchaser") according to which, JTPEG shall have the right to purchase the shares that the Company has in its ownership, which consist of 119 ordinary shares of total nominal value of CZK 119.000.000, issued by J&T Investment Pool -I- CZK, a.s. The remuneration for the exercise of the Put Option or the Call Option shall be the actual market price of the shares as of the day of exercise, which shall be payable within one year following the exercise date. The remuneration shall bear interest in the amount of 10% per annum from the exercise date until settlement date.
The exercise date shall be the day of delivery of the Call Option or the Put Option Notice. The Call and Put Option Period starts from the date of the signing of this Agreement and ends on 31 December 2022.

(iii) On 17 April 2023, the Company ("Guarantor") entered into a Guarantee Agreement with JTSEC Financing I a.s. ('Issuer") in relation to the bonds to be issued by the Issuer with a floating interest rate in an expected total nominal value of up to €30.000.000 due in 2028. For the purposes of this Guarantee, the secured obligations shall mean any monetary obligations of the Issuer towards the Bondholers arising from the bonds, and in particular the obligation to pay the nominal value of the bonds and any interest. The Company undertakes to pay such amount to each Bondholder upon written request if, for any reason, the Issuer fails to fulfil any secured obligations within 10 days.

(iv) Agreement to establish security interest was concluded on 31 May 2023, according to which, the Company ("Pledgor") secures the debts of the related party ("Debtor") towards the financial institution ("Pledgee"). The Debtor's debts that are secured arise from the Master Agreement signed on 22 January 2018, as amended, which have occurred or will occur on or after the signing of this Agreement until 30 April 2027, up to the total amount of principals of all debts of €33.000.000 ("Secured Debts").

To secure the Secured Debts, the Company establishes a security interest to the benefit of the Pledgee and pledges:
(i) all of its existing and future receivables under the accounts held with the Bank,
(ii) the Company's assets accounts kept with the Bank and the Central Securities Depository ("Collateral").
For the purpose of calculating sufficient value of the Collateral, the Bank includes the following:
(i) investment rating bonds, for which at least three financial institutions provide quotations totaling at least CZK 100.000.000,
(ii) stocks or ETF with an average daily traded volume exceeding CZK 100.000.000, and
(iii) investment instruments individually accepted by the Bank, i.e. by PostNL NV and by CEZ.

(v) On 20 July 2023, the Company ("Guarantor") entered into a Guarantee Agreement with JTSEC CZ Financing 1, a.s. ("Issuer") in relation to the bonds to be issued by the Issuer with a fixed interest rate in an expected total nominal value of up to CZK 1.500.000.000 with the possibility of an increase up to CZK 3.000.000.000 due in 2028. For the purposes of this Guarantee, the secured obligations shall mean any monetary obligations of the Issuer towards the Bondholers arising from the bonds, and in particular the obligation to pay the nominal value of the bonds and any interest whether arising as at the date of this Guarantee or arising in the future at any time up to and including July 2038. The Company undertakes to pay such amount to each Bondholder upon written request if, for any reason, the Issuer fails to fulfil any secured obligations duly and timely. The debt of the Company will become due on the 30th day following the delivery of the demand of the relevant Bondholder. The amount of the secured debts is limited to the amount of CZK 3.600.000.000.

28. Related party transactions (continued)

Per the revised Guarantee Agreement signed on 1 September 2023, the secured obligations shall mean any monetary obligations of the Issuer towards the Bondholders arising from the bonds, and in particular the obligation to pay the nominal value of the bonds and any interest whether arising as at the date of this Guarantee or arising in the future at any time up to and including September 2038.

29. Participation of Directors in the company's share capital

The percentage of share capital of the Company held directly or indirectly by each member of the Board of Directors (in accordance with Article (4) (b) of the Directive DI 190-2007-04), as at 31 December 2023 and 29 April 2024 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	31 December 2023 %	**29 April 2024 %**
Jarmila Janosova	12,77	12,77

The shareholding interest of Dr. Jarmila Janosova includes her indirect participation with a percentage of 12,77%, through the participation of the company J&T Private Equity Group Limited, of which she is one of the primary shareholders and director.

30. Significant events after the end of the financial year

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements, except from the following.

On 6 March 2024, the bonds have been repaid.

On 11 March 2024, the Company entered into an Amendment No.4 to the Call and Put Option Agreement concluded on 30 December 2020 with J&T Private Equity Group Limited ("JTPEG") according to which, the Call and Put Option is terminated and cease to exist. The parties have agreed that JTPEG shall pay to the Company compensation for the loss incurred with the sale of shares to a third party. The compensation shall be €10.060.116,74 minus the purchase price agreed by the SPA for the sale of shares, which shall be payable within two months following the final purchase price agreement date.

Independent auditor's report on pages 6 to 11