J&T SECURITIES MANAGEMENT PLC

REPORT AND FINANCIAL STATEMENTS
31 December 2022

J&T SECURITIES MANAGEMENT PLC

REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2022

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Jarmila Janosova Baris John Nicolaides BGS Director I Limited (appointed on 1 February 2022)
Company Secretary:	D. H. Nominees Ltd
Independent Auditors:	KPSA CHARTERED ACCOUNTANTS 15 Themistokli Dervi Street 1st floor, P.O. Box 27040 1641, 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 financial statements of the Company for the year ended 31 December 2022.

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 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.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Company are disclosed in notes 7, 8 and 26 of the financial statements.

Use of financial instruments by the Company
The Company is exposed to market price 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 price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

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, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.

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.

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.

MANAGEMENT REPORT

Results and Dividends
The Company's results for the year are set out on page 9.

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.

MANAGEMENT REPORT

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 2022 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 2022. On 1 February 2022, BGS Director I Limited was also appointed as Director.

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 31 to the financial statements.

Independent Auditors
The Independent Auditors, KPSA, 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, 27 April 2023

KPSA
Chartered Accountants

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Independent Auditor's Report

To the Members of J&T Securities Management Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying separate financial statements of parent company J&T Securities Management Plc (the "Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of parent company J&T Securities Management Plc as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2 of the separate financial statements which states that J&T Securities Management Plc is not required by the Cyprus Companies Law, Cap. 113, to prepare consolidated financial statements because the parent of the Company, J&T Private Equity Group Limited, publishes consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2022. At the time of approval of these separate financial statements, J&T Private Equity Group Limited has not yet published consolidated financial statements and consolidated financial statements are expected to be issued within a reasonably short period after the issuance of the separate financial statements, not exceeding the parent company's legal/regulatory timeframe obligations. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (continued)

To the Members of J&T Securities Management Plc

Corporation tax

Due to the complexity and the judgment needed for calculating the disallowed interest relating to loans payable that is to be included in the Tax Computation, the matter constitutes a key audit matter. Management judgment includes consideration of the tax regulations behind any treatment and where there are any uncertainties for the correct treatment, tax experts' opinion is sought.

Management's disclosures with regards to the uncertainties are contained in Note 8, whilst the income tax disclosures are also contained in Note 16.

How the matter was addressed in our audit

In order to evaluate the recognition and measurement of the disallowed interest included in the corporation tax calculation, we have performed the following work:
(i) Analysed the tax calculations carried out by the Management for compliance with the relevant laws and regulations
(ii) Performed analytical procedures to ensure the consistency with prior years treatment
(iii) Evaluated the Management's assessment about which loans constitute back to back loans, the interest income of which was taxed based on the minimum margin rules
(iv) Evaluated the Management's assessment relating to the part of the interest resulting from the debentures that could be allowed for tax purposes
(v) Reviewed the latest transfer pricing study (TP study) prepared for the Company and assessed whether (1) it is still valid for the year and (2) the tax margins used by the Company for the back to back loans are still within the range.

TP Study 2022
A TP Study for the year 2022 is required to be prepared since the Company has loans receivable with related parties throughout the year.
The Board of Directors has confirmed their commitment to prepare the TP Study for 2022 but this will be completed after these financial statements are signed but before the submission of the Tax Return (TD.4) for 2022 and the required Summary Information Table (SIT) which are due on 31 March 2024.

All the above were assessed and examined based on our professional judgment, valuable input, sufficient and detailed conversation with those charged with governance. It was the issue on which we had the most robust discussion with Management. Our factors in determining the above matter as a key audit matter that requires special attention, were both, quantitative and qualitative, always having in mind its complexity.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (continued)

To the Members of J&T Securities Management Plc

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPSA
Chartered Accountants

Independent Auditor's Report (continued)

To the Members of J&T Securities Management Plc

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Σαφειρη

Stelios Saphiris
Certified Public Accountant and Registered Auditor
for and on behalf of
KPSA
CHARTERED ACCOUNTANTS
15 Themistokli Dervi Street
1st floor, P.O. Box 27040
1641, Nicosia
Cyprus

Nicosia, 27 April 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2022

	Note	**2022** €	2021 €
Revenue	9	**39.229.236**	46.785.572
Other operating income	10	**-**	746.135
Net profit from investing activities	11	**11.699.690**	4.271.287
Administration expenses	13	**(962.923)**	(382.537)
Net impairment (loss)/profit on financial and contract assets	7.3	**(233.461)**	740.674
Other expenses	12	**(2.437.762)**	(711.563)
Operating profit	**13**	**47.294.780**	51.449.568
Finance costs	15	**(38.323.201)**	(26.474.660)
Profit before tax		**8.971.579**	24.974.908
Tax	16	**(286.874)**	(314.604)
Net profit for the year		**8.684.705**	24.660.304
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 gains		**1.021.036**	209.556
Financial assets at fair value through other comprehensive income - Loss transferred to net profit due to disposal		**(251.850)**	(115.636)
Provision for off-bs items under IFRS9 - Loan commitment		**17.299**	54.168
		786.485	148.088
Other comprehensive income for the year		**786.485**	148.088
Total comprehensive income for the year		**9.471.190**	24.808.392

The notes on pages 16 to 67 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
31 December 2022

	Note	2022 €	2021 €
ASSETS			
Non-current assets			
Financial assets at fair value through other comprehensive income	17	**78.534.862**	18.698.516
Loans receivable	18	**3.583.250**	20.480.949
		82.118.112	39.179.465
Current assets			
Trade and other receivables	19	**16.869.936**	26.244.782
Loans receivable	18	**14.848.926**	45.212.204
Financial assets at fair value through profit or loss	20	**322.397.766**	295.724.347
Cash at bank	21	**146.012**	48.884
		354.262.640	367.230.217
Total assets		**436.380.752**	406.409.682
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**75.970**	75.970
Share premium		**151.864.030**	151.864.030
Other reserves		**1.079.728**	293.245
Retained earnings		**45.248.962**	36.564.257
Total equity		**198.268.690**	188.797.502
Non-current liabilities			
Borrowings	23	**112.461.115**	158.104.679
		112.461.115	158.104.679
Current liabilities			
Trade and other payables	24	**282.320**	20.114.759
Borrowings	23	**125.361.633**	39.351.467
Current tax liabilities	25	**6.994**	41.275
		125.650.947	59.507.501
Total liabilities		**238.112.062**	217.612.180
Total equity and liabilities		**436.380.752**	406.409.682

The notes on pages 16 to 67 form an integral part of these financial statements.

On 27 April 2023 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 2022

	Note	Share capital €	Share premium €	Fair value reserve - Financial assets at fair value through other comprehensive income €	Retained earnings €	Total €
Balance at 1 January 2021		**70.970**	**141.869.030**	**145.158**	**11.903.953**	**153.989.111**
Comprehensive income						
Net profit for the year		-	-	-	24.660.304	24.660.304
Other comprehensive income for the year		-	-	148.087	-	148.087
Total comprehensive income for the year		-	-	148.087	24.660.304	24.808.391
Transactions with owners						
Issue of share capital	22	5.000	9.995.000	-	-	10.000.000
Total transactions with owners		5.000	9.995.000	-	-	10.000.000
Balance at 31 December 2021/ 1 January 2022		**75.970**	**151.864.030**	**293.245**	**36.564.257**	**188.797.502**
Comprehensive income						
Net profit for the year		-	-	-	8.684.705	8.684.705
Other comprehensive income for the year		-	-	786.483	-	786.483
Total comprehensive income for the year		-	-	786.483	8.684.705	9.471.188
Balance at 31 December 2022		**75.970**	**151.864.030**	**1.079.728**	**45.248.962**	**198.268.690**

The notes on pages 16 to 67 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2022

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 2022

	Note	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**8.971.579**	24.974.908
Adjustments for:			
Exchange difference arising on the translation of non-current assets in foreign currencies		**(1.242.826)**	(4.698.629)
Unrealised exchange loss		**1.961.357**	951.366
(Profit)/loss from the sale of financial assets at fair value through other comprehensive income		**(9.969)**	1.424.986
Loss from the sale of financial assets at fair value through profit or loss		**3.433.800**	1.585.367
Fair value gains on financial assets at fair value through profit or loss		**(1.819.391)**	(11.653.639)
Impairment charge - debt investments at fair value through other comprehensive income	17	**749.716**	143.302
Reversal of impairment on loans to related parties	27	**(524.539)**	(537.973)
Impairment charge of trade receivables	19	**8.284**	4.885
Reversal of impairment of other receivables	19	**-**	(350.888)
Dividend income	9	**(4.779.912)**	(5.242.405)
Interest income	9	**(4.821.517)**	(5.893.849)
Interest expense	15	**12.522.425**	10.467.561
		14.449.007	11.174.992
Changes in working capital:			
Decrease in trade and other receivables		**9.366.562**	11.008.667
Increase in financial assets at fair value through profit or loss		**(27.553.260)**	(137.094.091)
(Increase)/decrease in bank deposits		**(115.203)**	11.432.100
(Decrease)/increase in trade and other payables		**(34.268.341)**	16.885.121
Cash used in operations		**(38.121.235)**	(86.593.211)
Interest received		**9.041.504**	10.445.536
Dividends received		**4.779.912**	5.242.405
Tax paid		**(286.826)**	(621.468)
Net cash used in operating activities		**(24.586.645)**	(71.526.738)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of financial assets at fair value through other comprehensive income		**(189.650.821)**	(176.504.355)
Loans granted		**(134.950.340)**	(124.297.304)
Loans repayments received		**178.860.198**	185.975.796
Proceeds from sale of financial assets at fair value through other comprehensive income		**129.909.665**	179.241.093
Interest received		**113.083**	-
Net cash (used in)/generated from investing activities		**(15.718.215)**	64.415.230
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**-**	10.000.000
Repayments of borrowings		**(1.185.283.597)**	(1.195.921.327)
Proceeds from sale of repurchased own debentures		**128.386.761**	350.166.036
Proceeds from borrowings		**1.219.493.020**	1.206.090.651
Unrealised exchange (loss)/profit		**(1.623.410)**	3.295.090
Interest paid		**(12.549.545)**	(11.183.536)
Repayment of repurchased debentures		**(123.886.315)**	(341.458.957)

CASH FLOW STATEMENT
Year ended 31 December 2022

	Note	**2022** €	2021 €
Payment of coupon of repurchased debentures		**971.607**	1.242.000
Repayment of expenses from issued debentures		**(148.971)**	(169.638)
Net cash generated from financing activities		**25.359.550**	22.060.319
Net (decrease)/increase in cash and cash equivalents		**(14.945.310)**	14.948.811
Cash and cash equivalents at beginning of the year		**(2.542)**	(14.951.353)
Cash and cash equivalents at end of the year	**21**	**(14.947.852)**	(2.542)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

1. Incorporation and principal activities

Country of incorporation

The Company J&T Securities Management Plc (the "Company") was incorporated in Cyprus on 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.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

These financial statements are the separate financial statements. The Company has not prepared consolidated financial statements as the exemption from consolidation in paragraph 4(a) of IFRS10 'Consolidated Financial Statements', has been used. The Company's parent J&T Private Equity Group Limited, a Company incorporated in Cyprus produced consolidated financial statements available for public use that comply with International Financial Reporting Standards (IFRSs) as adopted by the European Union. These consolidated financial statements can be obtained at at Klimentos, 41-43, Klimentos Tower, 1st Floor, Flat/Office 18, 1061, Nicosia.

At the time of approval of these separate financial statements, the Company's parent has not published consolidated financial statements in accordance with IFRSs as adopted by the EU for the Company and its subsidiary (the "Group") as required by IFRS 10 "Consolidated Financial Statements" and the Cyprus Companies Law, Cap.113.

The Board of Directors applied an interpretation issued by the European Commission which states that if a company chooses or is required to prepare its annual financial statements in accordance with IFRSs as adopted by the EU, it can prepare and file them independently from the preparation and filing of its consolidated financial statements (in this case, the consolidated financial statements of the parent, J&T Private Equity Group Limited).
In particular, the Board of Directors concluded that this interpretation is also applicable in the case where the consolidated financial statements will be prepared and approved by the Board of Directors at a subsequent date which is expected to be within its legal/regulatory timeframe obligations. Accordingly, the Board of Directors has prepared these separate financial statements in accordance with IFRSs as adopted by the EU in advance of the preparation and filing of the consolidated financial statements of the parent, J&T Private Equity Group Limited.

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 2022. This adoption did not have a material effect on the accounting policies of the Company.

5. Significant accounting policies

The principal 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.

Consolidated financial statements

The Group consolidated financial statements comprise the financial statements of the ultimate parent company J&T Private Equity Group Limited, a company incorporated in Cyprus, and the financial statements of the following subsidiaries: J&T BFL Anstalt (100%, Liechtenstein), J&T Private Equity B.V. (100%, The Netherlands), J&T Private Investments II B.V. (100%, The Netherlands), JTPEG Advisory, a.s. (100%, Slovakia) and JTPEG Advisory CZ, a.s. (100%, Cech Republic). The Consolidation also includes the results of the subsidiary of J&T Private Equity B.V., J&T Private Investments B.V. (100%, The Netherlands), and the results of the investments of J&T Investment Pool - I - CZK, a.s. (100%, Czech Republic - Options) and J&T Investment Pool - I - SKK, a.s. (100%, Slovakia - Options) and their investment J&T Capital Management Anstalt (50% each, Liechtenstein - Options).

The remaining subsidiaries meet the criteria to qualify as investees and are recognised at fair value through profit or loss: Kotrab Enterprises Limited (100%, Cyprus), Agunaki Enterprises Limited (100%, Cyprus), J&T Securities Management Plc (99,921%, Cyprus) and Dalinton Limited (100%, Cyprus). During 2017, additional investments were acquired or incorporated; Stocklac Limited (100%, Cyprus), JTPEG Croatia Investments, a.s. (100%, Czech Republic), Boronio CZ a.s. (100%, Czech Republic) which was liquidated in August 2022, J&T Energy Financing Limited (99,01%, Cyprus).
During 2019, JTPEG CZ Investment 1, a.s. (100%, Czech Republic) was incorporated.
During 2020, JTPEG CZ Investment 2, a.s. (100%, Czech Republic) was incorporated and J&T Market Opportunities SICAV a.s. (100%, Czech Republic) was acquired which was sold during 2021.
During 2021, J&T ART FOND a.s (100%, Czech Republic) was acquired and FARMA KREDIT, s.r.o. was founded (100%, Slovakia) and sold during the year.
In addition, during 2021, the Company established the fund, PT Equity Investments SICAV, a.s. (90%, Czech Republic) and acquired J&T Capital Investments, a.s. (100% (only B-shares with no control), Czech Republic). Finally, the Consolidation also includes the value of the associates Nordic Telecom Holding a.s. (15%, Czech Republic), ABS Jets, a.s. (50%, Czech Republic) and J&T Thein SICAV a.s. (35%, Czech Republic, founded during 2020) at fair value through profit or loss.

These consolidated financial statements can be obtained at Klimentos, 41-43, Klimentos Tower, 1st Floor, Flat/Office 18, 1061, Nicosia.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

The consolidated financial statements for the year ended 31 December 2022 have not been prepared yet.

5. Significant accounting policies (continued)

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

- **Interest income**

  Interest income is recognised on a time-proportion basis 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 other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

5. Significant accounting policies (continued)

Revenue (continued)

- **Financing component**

  The Company does not have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company elects to use the practical expedient and does not adjust any of the transaction prices for the time value of money.

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 on a time-proportion basis using the effective 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.

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

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.

Financial assets

Financial assets - Classification

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

5. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Classification (continued)

- 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).

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 - 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. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

5. Significant 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.

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 "other gains/(losses)" 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.

5. Significant accounting policies (continued)

Financial assets (continued)

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

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 and contract 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 trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

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.

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.

5. Significant accounting policies (continued)

Financial assets (continued)

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.

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 due from other banks, balances 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.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

5. Significant accounting policies (continued)

Financial assets (continued)

Classification as trade receivables (continued)

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 7, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

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 stated 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.)

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.

5. Significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - Modifications (continued)

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.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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

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.

5. Significant accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

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.

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.

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 2022, and have been applied in preparing the Company's financial statements.

6. New accounting pronouncements (continued)

• Amendment to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (effective for annual periods beginning on or after 1 April 2021) provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.
•Amendments to IFRS 3: Reference to the Conceptual Framework (effective for annual periods beginning on or after 1 January 2022) update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.
• Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022) prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, proceeds from selling such items, and the cost of producing those items, are recognized in profit or loss.
• Amendments to IAS 37: Provision, Contingent Liabilities Contingent Assets Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022) specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract' that can either be incremental costs of fulfilling the contract (e.g. direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

• Annual Improvements to IFRS Standards 2018-2020 (effective for annual periods beginning on or after 1 January 2022)
o IFRS 1 – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
oIFRS 9 – The amendment clarifies that only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, are to be included when applying the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability.
o IFRS 16 – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor due to possible confusion that might arise because of how lease incentives are illustrated in that example.
o IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

These amendments, effective for the first time for the year ended 31 December 2022, did not have any material impact on the Company's financial statements.

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).*

6. New accounting pronouncements (continued)

(ii) Not adopted by the European Union

Amendments

- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively) (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).*

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 price risk
Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

7.2 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

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, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. 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'].

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

7. Financial risk management (continued)

7.3 Credit risk (continued)

(i) Risk management (continued)

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:

- trade receivables
- financial assets at amortised cost
- financial assets carried at FVOCI
- cash and cash equivalents
- credit commitments

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

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- 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:

- internal credit rating
- 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.

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

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. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. 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:

Trade receivables and contract assets

The Company assesses, on an individual basis, its exposure to credit risk arising from trade receivables and contract assets. This assessment is based on the credit history of the customers with the Company as well as the period the trade receivable or contract asset is more than 180 days past due. 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.

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables and contract assets (continued)

The loss allowances for trade receivables and contract assets as at 31 December 2022 reconcile to the opening loss allowances as follows:

	Contract assets		Trade receivables	
	2022	2021	**2022**	2021
	€	€	**€**	€
Balance at 1 January	-	-	4.885	-
Increase in loss allowance recognised in profit or loss during the year	**-**	-	**8.284**	4.885
Balance at 31 December	**-**	-	**13.169**	4.885

There were no significant trade receivable and contract asset balances written off during the year that are subject to enforcement activity.

Financial assets at amortised cost, debt investments carried at FVOCI

All of the entity's debt investments at amortised cost and FVOCI are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Refer to section above for a description of how the Company determines low credit risk financial assets.

There were no significant financial assets at amortised costs and debt investments carried at FVOCI written off during the year that are subject to enforcement activity.

The Company does not hold any collateral as security for any financial assets at amortised cost and debt investments carried at FVOCI balances.

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Financial assets at amortised cost, debt investments carried at FVOCI (continued)

A summary of the assumptions underpinning the Company's expected credit loss model is as follows:

Category	Company definition of category	Basis for recognition of expected credit loss provision	Basis for calculation of interest revenue
Performing	Counterparties have a low risk of default and a strong capacity to meet contractual cash flows	Stage 1: 12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.	Gross carrying amount
Underperforming	Counterparties for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Stage 2: Lifetime expected losses	Gross carrying amount
Non-performing	Interest and/or principal repayments are 90 days past due	Stage 3: Lifetime expected losses	Amortised cost carrying amount (net of credit allowance)
Write-off	Interest and/or principal repayments are 180 days past due and there is no reasonable expectation of recovery.	Asset is written off	None

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 2022 and 31 December 2021:

Company internal credit rating	**2022**	2021
	€	€
Performing	**18.432.176**	20.480.948
Total	**18.432.176**	20.480.948

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 and internal ratings, if external are not available.

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

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Cash and cash equivalents (continued)

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021:

Company internal credit rating	External credit rating	2022 €	2021 €
Performing	B2	**146.012**	48.884
Total		**146.012**	48.884

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.

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 and internal ratings, 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 2022 and 31 December 2021:

Company internal credit rating	External credit rating	2022 €	2021 €
Performing	AAA - A	**78.035.748**	17.823.763
Total		**78.035.748**	17.823.763

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

There were no debt instruments written off during the year that are subject to enforcement activity.

7. Financial risk management (continued)

7.3 Credit risk (continued)

(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	**2022** **€**	2021 €
Impairment charge - debt investments at fair value through other comprehensive income	**(1.007.011)**	(258.938)
Impairment charge - loans to related parties	**(77.682)**	(494.140)
Impairment charge - trade receivables	**(8.291)**	(4.885)
Reversal of impairment - debt investments at fair value through other comprehensive income	**257.295**	115.636
Reversal of impairment - loans to related parties	**602.221**	1.032.113
Reversal of impairment - trade receivables	**7**	-
Reversal of impairment - other receivables	**-**	350.888
Net impairment (loss)/profit on financial and contract assets	**(233.461)**	740.674

(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.

7.4 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 2022	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 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	190.148	190.148	190.148	-	-	-
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. Financial risk management (continued)

7.4 Liquidity risk (continued)

31 December 2021	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €
Bank loans	55.706.095	55.706.095	55.706.095	-	-	-
Debentures	137.704.930	137.704.930	(21.908.317)	1.508.550	59.003.131	99.101.566
Bank overdrafts	51.426	51.426	-	51.426	-	-
Trade and other payables	20.067.031	20.067.031	20.067.031	-	-	-
Loans from related parties	3.993.695	3.993.695	-	3.993.695	-	-
	217.523.177	217.523.177	53.864.809	5.553.671	59.003.131	99.101.566

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.

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

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

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.

8. Critical accounting estimates and judgments (continued)

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.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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 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.

8. Critical accounting estimates and judgments (continued)

- **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.

9. Revenue

Disaggregation of revenue	2022	2021
	€	€
Dividend from overseas	4.779.912	5.242.405
Interest income	1.387.848	1.113.344
Loan interest income	3.320.586	4.780.505
Net gain on trading in financial instruments	17.639.323	14.247.005
Net fair value gains on financial assets at fair value through profit or loss	12.101.567	21.402.313
	39.229.236	46.785.572

10. Other operating income

	2022	2021
	€	€
Profit from share derivatives	-	746.135
	-	746.135

11. Net profit from investing activities

	2022	2021
	€	€
Profit from sale of financial assets at fair value through other comprehensive income	57.710	1.265
Interest income	113.083	-
Exchange profit	25.292.614	17.030.314
Loss from sale of financial assets at fair value through other comprehensive income	(47.741)	(1.426.251)
Loss from sales of financial assets at fair value through profit or loss	(3.433.800)	(1.585.367)
Fair value losses on financial assets at fair value through profit or loss	(10.282.176)	(9.748.674)
	11.699.690	4.271.287

12. Other expenses

	2022	2021
	€	€
Loss from share derivatives	1.987.927	321.762
Broker commission and charges	449.835	389.801
	2.437.762	711.563

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13. Operating profit

	2022 €	2021 €
Operating profit is stated after charging the following items:		
(Profit)/loss from the sale of financial assets at fair value through other comprehensive income (Note 17)	**(9.969)**	1.424.986
Directors' fees	**64.500**	952
Staff costs including Directors in their executive capacity (Note 14)	**9.464**	1.456
Auditors' remuneration for the statutory audit of annual accounts	**34.000**	34.000
Auditors' remuneration - prior years	**6.460**	5.415

14. Staff costs

	2022 €	2021 €
Salaries	**8.450**	1.300
Social security costs	**845**	130
Social cohesion fund	**169**	26
	9.464	1.456

	2022	2021
Average number of employees (including Directors in their executive capacity):		
Full time	**-**	-
Part time	**2**	2
	2	2

15. Finance costs

	2022 €	2021 €
Finance costs		
Interest expense		
Loan interest	**1.138.133**	839.369
Bank overdraft interest	**1.320.491**	808.119
Loan interest on REPO agreements	**2.738.828**	1.994.901
Debenture interest	**7.324.973**	6.825.172
Sundry finance expenses		
Bank charges	**65.166**	16.153
Net foreign exchange losses		
Realised foreign exchange loss	**6.615.302**	8.423.001
Unrealised foreign exchange loss	**19.120.308**	7.567.945
	38.323.201	26.474.660

16. Tax

	2022	2021
	€	€
Corporation tax	**83.634**	132.085
Overseas tax	**203.240**	182.519
Charge for the year	**286.874**	314.604

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

	2022	2021
	€	€
Profit before tax	**8.971.579**	24.974.908
Tax calculated at the applicable tax rates	**1.121.447**	3.121.864
Tax effect of expenses not deductible for tax purposes	**6.553.518**	4.527.040
Tax effect of allowances and income not subject to tax	**(7.591.331)**	(7.521.009)
10% additional charge	**-**	4.190
Overseas tax in excess of credit claim used during the year	**203.240**	182.519
Tax charge	**286.874**	314.604

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.

17. Financial assets at fair value through other comprehensive income

	2022	2021
	€	€
Balance at 1 January	**18.698.516**	22.777.953
Additions	**190.400.537**	176.504.354
Disposals	**(131.516.452)**	(181.661.642)
Impairment charge	**(749.716)**	(143.302)
Exchange differences	**508.258**	157.191
Revaluation difference transferred to equity	**19.469**	(49.382)
Interest income	**1.174.250**	1.113.344
Balance at 31 December	**78.534.862**	18.698.516

These investments in equity 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.

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

		Cost		**Fair values**
	2022	2021	**2022**	2021
	€	€	**€**	€
Securities listed on a Stock Exchange	**513.180**	907.702	**499.114**	874.753
Debt securities	**76.173.841**	17.568.460	**78.035.748**	17.823.763
	76.687.021	18.476.162	**78.534.862**	18.698.516

(A) On 31 December 2021, the Company holds 124 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 and 78 pieces of fixed rate perpetual notes of J&T Banka 9% PERP CZK.

Additionally, on 31 December 2021, the Company holds 25 coupon bonds in J&T Energy Financing EUR X, a.s. (JTEF X 5,10/2026) and 158 coupon bonds in J&T Energy Financing EUR VIII, a.s. (JTEF VIII 2022).

(B) 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).

(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.

(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:

	2022	2021
	€	€
Profit from sale of financial assets at fair value through other comprehensive income	**57.710**	1.265
Loss from sale of financial assets at fair value through other comprehensive income	**(47.741)**	(1.426.251)
Reversal of impairment - debt investments at fair value through other comprehensive income	**257.295**	115.636
Impairment charge - debt investments at fair value through other comprehensive income	**(1.007.011)**	(258.938)
Net loss on financial assets at fair value through other comprehensive income	**(739.747)**	(1.568.288)

18. Loans receivable

	2022	2021
	€	€
Balance at 1 January	**65.693.153**	127.908.547
New loans granted	**134.950.340**	124.297.306
Repayments	**(185.966.498)**	(191.565.179)
Interest charged	**3.213.344**	3.769.167
Reversal of impairment / Impairment charge	**541.837**	463.805
Exchange differences	**-**	819.507
Balance at 31 December	**18.432.176**	65.693.153

	2022	2021
	€	€
Loans receivable	**-**	45.212.204
Loans to related parties (Note 27.4)	**18.432.176**	20.480.949
	18.432.176	65.693.153
Less current portion	**(14.848.926)**	(45.212.204)
Non-current portion	**3.583.250**	20.480.949

The loans are repayable as follows:

	2022	2021
	€	€
Within one year	**14.848.926**	45.212.204
Between one and five years	**3.583.250**	20.480.949
	18.432.176	65.693.153

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

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

	2022	2021
Loans receivable	**5% - 5,20%**	5% - 5,50%
Loans to related parties	**4,5%, 5,30% + 3M EURIBOR**	0,80%, 4,5%

I. During 2021 and 2022, Loans to related parties relate to the following:

(1) On 28 April 2020, the Company ("Creditor") entered into a Loan Contract No.41/JSML/2020/JTPE with J&T Private Equity B.V. ("Debtor"), for the granting of a loan in the amount of €66.875.000, which bears interest at the rate of 0,80% per annum and is repayable within 7 days after the Company has delivered to the Debtor a written request for payment.

The loan was fully settled on 26 January 2021.

(2) On 4 August 2020, the Company ("Creditor") entered into a Loan Contract No.42/JSML/2020/JTPE with J&T Private Equity B.V. ("Debtor"), for the granting of a loan in the amount of CZK 866.000.000, which bears interest at the rate of 0,80% per annum and is repayable within 7 days after the Company has delivered to the Debtor a written request for payment.

The loan was fully settled on 29 March 2021.

18. Loans receivable (continued)

(3) On 13 October 2020, the Company ("Creditor") entered into a Loan Contract No.43/JSML/2020/JTPE with J&T Private Equity B.V. ("Debtor"), for the granting of a loan in the amount of CZK 450.943.000, which bears interest at the rate of 0,80% per annum and is repayable within 7 days after the Company has delivered to the Debtor a written request for payment.

The loan was fully settled on 25 June 2021.

(4) On 14 December 2020, the Company ("Creditor") entered into a Loan Contract No.44/JSML/2020/JTPE with J&T Private Equity B.V. ("Debtor"), for the granting of a loan in the amount of €45.000.000, which bears interest at the rate of 0,80% per annum and is repayable within 7 days after the Company has delivered to the Debtor a written request for payment.

Per Amendment No.1 signed on 21 January 2021, the principal of the loan decreased to €31.522.890,47.

The loan was fully settled on 25 June 2021.

(5) 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.

(6) On 7 April 2021, the Company ("Creditor") entered into a Loan Contract No.47/JSML/2021/JTPE with J&T Private Equity B.V. ("Debtor"), for the granting of a loan in the amount of €66.534.635,39, which bears interest at the rate of 0,80% per annum and is repayable within 7 days after the Company has delivered to the Debtor a written request for payment.

The loan was fully settled on 29 June 2021.

(7) 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 is extended until 1 September 2023. As from 1 December 2022, the interest rate is agreed at 3Month Euribor plus 5,30% per annum.

II. Other loans relating to Agreements concluded during 2020 relate to the following:

(1) On 20 March 2020, the Company ("Preferred Creditor") entered into a Debt Subordination Agreement with J&T Private Investments II B.V. ("Creditor") and a third party ("Debtor") according to which the Parties wish to ensure that the Debtor's obligations to the Creditor arising from the Assignment Agreement concluded on the same date, are subordinated to Preferred Receivable.
The Creditor agrees that without the consent of the Preferred Creditor, its receivables towards Debtor under the Agreement may be repaid only after the repayment of all existing or future claims towards the Debtor arising from the Preferred Receivable ("Priority Receivables").

The Creditor undertakes to the Preferred Creditor that before the date when all Priority Receivables shall have been paid, it shall not without consent of the Preferred Creditor demand or accept from the Debtor any payment relating to the Agreement or any other payment towards the Creditor's receivables from the Debtor ("Subordinated Receivables").

On 31 December 2021, a Novation Agreement was signed between the Company ("Creditor") and a third party ("Debtor") according to which, the Receivable is replaced with an obligation, equal to the amount of the old principal bearing interest in the amount of 5,2% per annum, which is payable until 31 December 2022.

The loan was fully settled on 13 September 2022.

18. Loans receivable (continued)

(2) On 14 May 2020, the Company ("Assignee") entered into a Contract on Assignment of the Receivable with a third party ("Assignor") for the assignment of the receivable from another third party ("Debtor") arising from the Credit Contract signed on 11 December 2017, which on the date of the assignment consists of principal in the amount of €12.206.315,05 and accrued interest in the amount of €912.965,52. The total amount of the assigned receivable is €13.119.280,57.
The loan bears interest at the rate of 5% per annum and is repayable on 14 December 2020.
The remuneration for the assignment of the loan is equal to the loan assigned and it is payable until 14 May 2020.
The remuneration was settled on the same day.

On 14 May 2020, the Company ("Assignee") entered into a Contract on Assignment of the Agreement with a third party ("Assignor"), another third party ("Third party 2") and third party 3 ("Debtor") according to which the Assignor, Third party 2 and the Debtor concluded on 11 December 2017, the Debt Subordination Agreement based on which the debts of the Debtor to Third party 2 are subordinated.
The Company fully substitutes the Assignor to the Debt Subordination Agreement.

On 10 December 2020, the Company ("Creditor") entered into a Novation Agreement with a third party ('Debtor") for the replacement of the Receivable with a new loan, which bears interest at 5% per annum and is repayable until 31 December 2021.

Per Amendment No.1 signed on 31 December 2021, the repayment date is extended until 31 December 2022.

The loan was fully settled on 25 February 2022.

(3) On 9 July 2020, the Company ("Assignee") entered into an Agreement on Assumption of Rights and Obligations to the Credit Contract with J&T Private Investments II B.V. ("Creditor") for the assignment of the receivable from a third party ("Debtor") arising from the Credit Contract signed on 7 June 2018, which on the date of the assignment consists of principal in the amount of CZK 548.131.000 and accrued interest in the amount of CZK 58.449.759,27.
Per the initial Credit Contract, the interest rate of the loan assigned is 5,50%.
Per Amendment No.2 signed on 27 March 2020, the repayment date is 31 January 2023.
The initial parties also declared that the Contract is secured by 696.491.752 profit participation certificates of fund J&T FVE uzavreny podilovy fond, which fund manager is J&T Investicni Spolecnost, which on 9 July 2020 were transferred to the Company.

The remuneration for the assignment of the loan is equal to the loan assigned, i.e. CZK 606.580.759,27 and it is payable within three days from signing this Agreement.
The remuneration was settled on the same day.

An Agreement on Termination of the Credit Contract was signed on 22 July 2021.

Per the Confirmation signed on 3 August 2021, the pledge on the securities is terminated.

19. Trade and other receivables

	2022	2021
	€	€
Trade receivables	**4.501.962**	21.684.003
Less: credit loss on trade receivables	**(13.169)**	(4.885)
Trade receivables - net	**4.488.793**	21.679.118
Deposits and prepayments	**49.113**	47.647
Loans receivable	**9.790.386**	-
Option on shares instruments - positive	**2.541.644**	4.518.017
	16.869.936	26.244.782

19. Trade and other receivables (continued)

For a summary of key terms and conditions relating to the balances with related parties, refer to note 27 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 2021, Trade Receivables mainly relate to the following Agreement.

On 20 December 2021, the Company ("Buyer") entered into an Agreement on Purchase of Securities with a third party ("Seller") for the acquisition of 2.140.361 shares in CEZ, a.s., which represent a shareholding of 0,397844% for the purchase price of CZK 1.650.218.331.
The Parties agreed that the transfer of the shares may occur in one or several transactions by 31 January 2022.
The part of the purchase price in the amount of CZK 1.156.500.000 for the transfer of 1.500.000 pieces of the securities was settled by the Company on 21 December 2021.
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 771 for one share multiplied by the amount of the relevant transferred securities.
The remaining part was settled on 13 January 2022.

Per the Notice received on 11 January 2022, the transfer occurred within five business days from the delivery of the Notice.

(ii) 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.

(B) Shareholders' current account relates to the following:

(i) On 30 July 2021, the Company entered into a Subscription Agreement with J&T Private Equity Group Limited ("Shareholder"), according to which, based on the Shareholder Resolution further to the extraordinary General Meeting held on the same day, the increase of the share capital of the Company from 70.970 to 75.970 shares was resolved. The new 5.000 shares issued are issued at their nominal value of €5.000 and a premium of €9.995.000. The total subscription price is €10.000.000. All shares were subscribed by the Shareholder.

The consideration was payable until 30 August 2021.
The payable amount was settled on 11 August 2021.

(C) As at 31 December 2021, there are no outstanding Loans receivable resulting from REPO Agreements.

19. Trade and other receivables (continued)

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.

(D) 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.

20. Financial assets at fair value through profit or loss

	2022	2021
	€	€
Balance at 1 January	**295.724.347**	145.605.914
Additions	**1.997.171.218**	1.292.999.043
Disposals	**(1.973.051.758)**	(1.159.075.686)
Change in fair value	**1.819.391**	11.653.638
Exchange differences	**734.568**	4.541.438
Balance at 31 December	**322.397.766**	295.724.347

	Fair values 2022	**Cost 2022**	Fair values 2021	Cost 2021
	€	**€**	€	€
Securities listed on a Stock Exchange	68.507.884	62.455.757	136.523.291	126.601.048
Non-listed securities	253.889.882	249.191.449	159.201.056	156.871.492
	322.397.766	**311.647.206**	295.724.347	283.472.540

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 operating income.

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" and/or 5% of net assets are shown below:

Investment	Type of investment	Percentage owned	Percentage of net assets	**2022**	2021
				€	€
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova CZK	Security	3,74%	11,55%	**22.906.485**	27.265.933
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova EUR	Security	13,78%	39,45%	**78.208.203**	50.240.497
J&T Ostravice Active Life	Unit certificate	11,05%	0,13%	**263.938**	704.715
Best Hotel Properties a.s. (BHP)	Security	18,76%	1,77%	**3.554.173**	5.542.100
J&T Investment Pool - I - SKK, a.s.	Security	59,11%	22,80%	**45.197.124**	32.887.015
J&T Investment Pool - I - CZK, a.s.	Security	79,00%	41,81%	**82.891.951**	42.887.863
Red Stone Now s.r.o.	Ordinary shares	49,90%	0,78%	**1.537.443**	377.648
Red Stone Now SK a.s.	Ordinary shares	49,75%	- %	**-**	-
				234.559.317	159.905.771

(A) On 31 December 2021, the Company holds 97.000 shares in Tatry mountain resorts, a.s. (TMR), 1.261.006 in CEZ, a.s. (CEZ), 15.000 in Prabos Plus a.s., 865.063 in O2 Czech Republic a.s. (O2) and 4.400.000 in Globalworth Real Estate Investments Limited.

In addition, the Company holds 1.047.039 shares in CEZ, and 2.021.333 shares in O2 C.R. 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 €25.196.113,91 and €15.799.150,32 respectively plus interest.

Moreover, the Company still holds 153 pieces of J&T Ostravice Active Life.
Finally, the Company holds 203 pieces of J&T Investment Pool - I - SKK, a.s., 221 pieces of J&T Investment Pool - I - CZK, a.s., 6.024.022 shares in Best Hotel Properties a.s. (BHP), 584.247.001 pieces of J&T Arch Investments, podfund (CZK) and 43.456.878 pieces of J&T Arch Investments, podfund (EUR) which are not listed.

In addition, during 2021, the Company entered into the following Agreements:

(i) On 30 December 2020, the Company ("Buyer") entered into a Purchase Agreement with a third party ("Seller") for the acquisition of 3.300.000 shares in Best Hotel Properties a.s. ("BHP") of a total nominal value of €1 per share.
The purchase price is payable in two instalments, whereas the first part of the purchase price which amounts to €3.102.000, is payable within 10 days from signing this Agreement (paid on 8 January 2021). The second part of the purchase price will be determined as the difference between the value of the shares determined by their valuation as of 31 December 2020 and the first part of the purchase price, while the total value paid by the Purchaser for one share will not exceed €3,14.
The second part of the purchase price shall be paid within 6 months from the entry into force for the transfer of the shares. In case the resulting amount of the second part of the purchase price will have a negative value, the first part of the purchase price is considered to be the total purchase price.

(ii) On 15 April 2021, the Company ("Seller") entered into an Agreement on Purchase of Securities with Stocklac Limited ("Purchaser") for the disposal of 800.000 shares in Tatry mountain resorts, a.s. ("TMR") of a total nominal value of €5.600.000 which represent a share of 11,927484%, for a purchase price of €27.760.000, which is payable until 20 April 2021.
The purchase price was settled on the same day.

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

(iii) On 20 April 2021, the Company ("Buyer") entered into a Securities Purchase Agreement with J&T Private Equity Group Limited ("Seller") for the acquisition of 40 pieces of shares in J&T Investment Pool - I - SKK, a.s. with a total nominal value of €1.327.760, for a purchase price of €6.281.891,20, which is payable within 30 working days after signing this Agreement.
The purchase price was settled on 20 April 2021.

(iv) On 20 April 2021, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the acquisition of 119 pieces of shares in J&T Investment Pool - I - CZK, a.s. with a nominal value of CZK 1.000.000 each, for a purchase price of €21.484.810,60 (equivalent to CZK 556.521.048,93), which is payable within 30 working days after signing this Agreement.
The purchase price was settled on 20 April 2021.

(v) On 12 March 2021, the Company ("Buyer") entered into an Agreement on Purchase of Securities with a third party ("Seller") for the acquisition of 4.100.000 investment shares in J&T Arch Investments, podfund (EUR), for the purchase price of €4.166.010, which is payable 3 days after the signing of this Agreement.
The purchase price was settled on 15 March 2021.

(vi) On 22 March 2021, the Company ("Buyer") entered into an Agreement on Purchase of Securities with a third party ("Seller") for the acquisition of 1.500.000 investment shares in J&T Arch Investments, podfund (EUR), for the purchase price of €1.524.900, which is payable 3 days after the signing of this Agreement.
The purchase price was settled on 30 March 2021.

(vii) On 29 April 2021, the Company ("Buyer") entered into an Agreement on Purchase of Securities with a third party ("Seller") for the acquisition of 4.000.000 investment shares in J&T Arch Investments, podfund (EUR), for the purchase price of €4.200.000, which is payable 7 days after the signing of this Agreement.
The purchase price was settled on 7 May 2021.

(viii) On 14 December 2021, the Company ("Seller") entered into a Share Purchase Agreement with a third party ("Seller") for the sale of 60.000.000 investment shares in J&T Alliance SICAV, a.s., for the purchase price of €60.000.000 ("Deposit") and the Adjustment, which is equal to the difference between the net assets value ("NAV") and the Deposit. The NAV shall be calculated by J&T Alliance SICAV, a.s. until 31 January 2021. The Deposit is payable on the signing of this Agreement.
The purchase price was settled on the same day.

(B) On 31 December 2022, the Company holds 73.780 shares in Tatry mountain resorts, a.s. (TMR), 203.927 in CEZ, a.s. (CEZ), 15.000 in Prabos Plus a.s. and 190.000 in Autolus Therapeutics Plc.

In addition, the Company holds 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.

Moreover, the Company holds 61 pieces of J&T Ostravice Active Life.
Finally, the Company holds 266 pieces of J&T Investment Pool - I - SKK, a.s., 395 pieces of J&T Investment Pool - I - CZK, a.s., 6.024.022 shares in Best Hotel Properties a.s. (BHP), 456.542.215 pieces of J&T Arch Investments, podfund (CZK), 67.449.938 pieces of J&T Arch Investments, podfund (EUR) and 25.000.000 pieces of J&T Arch Convertible SICAV, a.s. which are not listed.

In addition, during 2022, the Company entered into the following Agreements:

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

(iii) 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 pieces of investments shares in J&T Arch Investments SICAV, a.s., sub fund of J&T Arch Invest. - rustova EUR, a.s. in one or several transactions, which shall occur until 31 May 2022, for the purchase price of €70.054.493,02. Under the present Agreement, the Company acquires 16.000.000 pieces for the purchase price of €18.512.000, settled on the same day.
The remaining part of the purchase price is payable based on the Notice of the Seller within 5 days from the delivery of the Notice to the Company in the amount equal to €1,157 for one share multiplied by the amount of the transferred securities.

(iv) 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 pieces of investments shares in J&T Arch Investments SICAV, a.s., sub fund of J&T Arch Invest. - rustova CZK, a.s. in one or several transactions, which shall occur until 31 May 2022, for the purchase price of CZK 1.250.969.743,36. Under the present Agreement, the Company acquires 217.493.319 pieces for the purchase price of CZK 252.509.743,36, settled on the same day.
The remaining part of the purchase price is payable based on the Notice of the Seller within 5 days from the delivery of the Notice to the Company in the amount equal to CZK1,161 for one share multiplied by the amount of the transferred securities.

(v) On 14 April 2022, the Company ("Seller") entered into an Agreement on Purchase of Securities with a third party ("Buyer") for the disposal of 860.000 shares in CEZ, a.s. which represent a share of 0,159854%, in one transaction which shall occur until 29 April 2022, for a purchase price of CZK 804.960.000, which is payable until 29 April 2022.
The purchase price was settled on 21 April 2022.

(vi) On 18 May 2022, the Company ("Seller") entered into an Agreement on Purchase of Securities with a third party ("Buyer") for the acquisition of 17.000.000 pieces of investments shares in J&T Arch Investments SICAV, a.s., sub-fund of J&T Arch Invest. - rustova EUR, a.s. in one or several transactions, which shall occur until 31 May 2022, for the purchase price of €19.805.000.
Under the present Agreement, the purchase price was settled on 19 May 2022.

(vii) On 9 June 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with a third party ("Seller") for the acquisition of 17.000.000 pieces of investments shares in J&T Arch Investments SICAV, a.s., sub-fund of J&T Arch Invest. - rustova EUR, a.s. in one or several transactions, which shall occur until 15 June 2022, for the purchase price of €19.890.000.
Under the present Agreement, the purchase price was settled on the same day.

(viii) On 2 September 2022, the Company ("Seller") entered into a Share Purchase Agreement with a third party ("Buyer") for the sale of 4.400.000 investment shares in Globalworth Real Estate Investments Limited, for the purchase price of €30.800.000.
The purchase price was settled on the same day.

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

(ix) On 13 September 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the acquisition of 15.000.000 pieces of investments shares in J&T Arch Investments SICAV, a.s., sub-fund of J&T Arch Invest. - rustova EUR, a.s. in one or several transactions, which shall occur until 15 September 2022, for the purchase price of €17.835.000.
The purchase price was settled on the same day.

(x) On 8 November 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the acquisition of 119.292.302 pieces of investments shares in J&T Arch Investments SICAV, a.s., sub-fund of J&T Arch Invest. - rustova CZK, a.s. in one or several transactions, which shall occur until 9 November 2022, for the purchase price of CZK 143.150.762,40.
The purchase price was settled on the same day.

(xi) On 8 November 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the acquisition of 10.453.304 pieces of investments shares in J&T Arch Investments SICAV, a.s., sub-fund of J&T Arch Invest. - rustova EUR, a.s. in one or several transactions, which shall occur until 9 November 2022, for the purchase price of €12.125.832,64.
The purchase price was settled on the same day.

(xii) On 9 December 2022, the Company ("Purchaser") entered into an Agreement on Purchase of Securities with a third party ("Seller") for the acquisition of 73.780 shares in Tatry mountain resorts, a.s. ("TMR") of a total nominal value of €516.460 which represent a share of 1,1%, for a purchase price of €1.770.720, which is payable not later than 7 working days from the signature of this Agreement.
The purchase price was settled on the same day.

(C) Associates measured at fair value through profit or loss

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

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

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.

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.

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

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.

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

	2022	2021
	€	€
Cash at bank and in hand	**30.809**	48.884
Bank deposits	**115.203**	-
	146.012	48.884

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.

21. Cash at bank (continued)

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

	2022	2021
	€	€
Cash at bank and in hand	**30.809**	48.884
Bank overdrafts (Note 23)	**(14.978.661)**	(51.426)
	(14.947.852)	(2.542)

Cash and cash equivalents by currency:

	2022	2021
	€	€
Euro	**5.101**	41.795
Czech koruna	**140.911**	7.089
	146.012	48.884

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

	2022 Number of shares	**2022 €**	2021 Number of shares	2021 €
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	**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

	2022	2021
	€	€
Balance at 1 January	**197.456.146**	188.075.584
Additions	**1.219.493.020**	1.206.090.653
Repayments	**(1.197.611.061)**	(1.206.296.745)
Interest for the year	**12.300.343**	9.659.441
Exchange differences	**337.946**	5.065.962
Movement of bank loan overdraft	**523.272**	(14.918.190)
Repurchase of own long term debentures	**(123.886.315)**	(341.458.957)
Payment of coupon of repurchased debentures	**971.607**	1.242.000
Capitalised expenses	**(148.971)**	(169.638)
Sale of repurchased own long term debentures	**128.386.761**	350.166.036
Balance at 31 December	**237.822.748**	197.456.146

23. Borrowings (continued)

	2022 €	2021 €
Current borrowings		
Bank overdrafts (Note 21)	**14.978.661**	51.426
Bank loans	**64.633.323**	55.706.095
Debentures	**45.749.649**	(20.399.749)
Loans from related parties (Note 27.5)	**-**	3.993.695
	125.361.633	39.351.467
Non-current borrowings		
Debentures	**98.686.629**	158.104.679
Loans from related parties (Note 27.5)	**13.774.486**	-
	112.461.115	158.104.679
Total	**237.822.748**	197.456.146

Maturity of non-current borrowings:

	2022 €	2021 €
Between one to two years	**112.461.115**	59.003.131
Between two and five years	**-**	99.101.548
	112.461.115	158.104.679

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

Bank loans - REPO Agreements

- By a pledge of 1.874.479 shares in CEZ, a.s. (CEZ) (2021: 1.047.039 shares in CEZ).
- By a pledge of 8.050.000 shares in POSTNL NV (2021: nil).
- By a pledge of 308.871.212 pieces of J&T Arch Investments, podfund (CZK) and 2.691.434 pieces of J&T Arch Investments, podfund (EUR) (2021: nil).
- By a pledge of 2.021.333 shares in O2 Czech Republic a.s. (O2) in 2021.
- By a pledge of 168 own debentures (JTSEC 4,6/2024) in 2021.

Bank overdraft

- By a blank promissory note.

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

	2022 %	2021 %
Bank loan overdrafts	**3M Euribor + 5%**	-
Bank loans	**3%-6,80%**	3%-4,90%
Debentures	**4,60%, 5%**	4,60%, 5%
Loans from related parties	**4%**	4%

(A) Loans from related parties during 2022 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.

23. Borrowings (continued)

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, 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 other parties during 2022 relate to the following:

(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.

(C) 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 2021, the bank loans represent REPO agreements for 1.047.039 shares in CEZ, and 2.021.333 shares in O2 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 €25.196.113,91 and €15.799.150,32 respectively plus interest.

The bank loans also represent REPO agreements for 168 repurchased debentures of the Company (JTSEC 4,6/2024). Based on the various agreements, the Company sold and agreed to purchase back the above shares for a total of CZK 364.260.527,68 (equivalent to €14.653.472,51) plus interest.

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.

23. Borrowings (continued)

(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.

(D) 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 16 April 2021 and 18 October 2021, the interest payments relating to the fixed rate debentures were made.

23. Borrowings (continued)

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.

(E) Debentures 2020

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

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

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

(F) 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.

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.

24. Trade and other payables

	2022	2021
	€	€
Trade payables	**94.104**	19.861.301
Social insurance and other taxes	**336**	168
VAT	**6.281**	3.542
Accruals	**85.555**	44.018
Other creditors	**96.044**	205.730
	282.320	20.114.759

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

(A) As at 31 December 2021, Trade payables relate to the following.

On 20 December 2021, the Company ("Buyer") entered into an Agreement on Purchase of Securities with a third party ("Seller") for the acquisition of 2.140.361 shares in CEZ, a.s., which represent a shareholding of 0,397844% for the purchase price of CZK 1.650.218.331.
The Parties agreed that the transfer of the shares may occur in one or several transactions by 31 January 2022.
The part of the purchase price in the amount of CZK 1.156.500.000 for the transfer of 1.500.000 pieces of the securities was settled by the Company on 21 December 2021.
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 771 for one share multiplied by the amount of the relevant transferred securities.
The remaining part was settled on 13 January 2022.

During 2021, the following transactions also occurred.

On 30 April 2021, the Company ("Seller") entered into a Call Option Share Transfer Contract with an individual ("Buyer") according to which, the individual shall have the right to purchase the shares that the Company has in its ownership, which consist of 90.000 ordinary shares, issued by CEZ, a.s. The Purchase price for the shares amounts to CZK 53.955.000, which is payable not later than 24 hours from the transfer of the shares. The call option shall take effect at the exercise of the option by the Buyer, at the moment of the delivery of the written declaration.
The call option is established until 31 March 2022 and the consideration shall be equal to a daily amount of CZK 7.200 multiplied by the number of the days from the day of the execution of the Contract until the day of exercise of the option. The consideration is payable until 31 March 2022.

The Option was exercised on 30 September 2021.

Per the Netting Agreement signed between the Parties on 30 September 2021, the netting of the mutual relationship is agreed as follows.
The net amount of difference between the actual value of the shares as of the day of execution of call option minus 1 day as of 30 September 2021 (CZK 63.270.000) and the Purchase Price (CZK 53.955.000) and the Consideration (CZK 1.108.800) is CZK 8.206.200.
The net amount is payable within 15 days after the delivery of the Buyer's request for repayment of the net amount to the Company.
The net amount was fully settled on 26 November 2021.

(B) During 2022, Trade payables relate to the following.

On 9 June 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with a third party ("Seller") for the acquisition of 17.000.000 shares in J&T Arch Investments SICAV for the purchase price of €19.890.000.
The Parties agreed that the transfer of the shares may occur in one or several transactions by 15 June 2022.
The purchase price was settled on the same day.

24. Trade and other payables (continued)

On 22 August 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the repurchase of own bonds (33 bonds of J&T Securities/5.0 DEB 20231016) for the purchase price of CZK 100.732.500.
The purchase price was settled on the same day.

On 13 September 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the acquisition of 15.000.000 shares in J&T Arch Investments SICAV for the purchase price of €17.835.000.
The Parties agreed that the transfer of the shares may occur in one or several transactions by 15 September 2022.
The purchase price was settled on the same day.

On 8 November 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the acquisition of 119.292.302 shares in J&T Arch Investments SICAV for the purchase price of CZK 143.150.762,40.
The Parties agreed that the transfer of the shares may occur in one or several transactions by 9 November 2022.
The purchase price was settled on the same day.

On 8 November 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the acquisition of 10.453.304 shares in J&T Arch Investments SICAV for the purchase price of €12.125.832,64.
The Parties agreed that the transfer of the shares may occur in one or several transactions by 9 November 2022.
The purchase price was settled on the same day.

On 9 December 2022, the Company ("Buyer") entered into an Agreement on Purchase of Securities with a third party ("Seller") for the acquisition of 79.780 shares in Tatry mountain resorts, a.s. for the purchase price of €1.770.720.
The Parties agreed that the purchase price shall be paid not later than 7 working days from the signature of this Agreement.
The purchase price was settled on the same day.

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

25. Current tax liabilities

	2022	2021
	€	€
Corporation tax	**6.994**	41.275
	6.994	41.275

26. Operating Environment of the Company

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

26. Operating Environment of the Company (continued)

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Company has no direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from the exposures to these countries.

Despite the absence of direct exposure, the conflict is expected to negatively impact the tourism and services industries in Cyprus. Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Company. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for action in case the crisis becomes prolonged.

With the recent and rapid development of the Coronavirus disease (COVID-19) pandemic the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life.

Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments have implemented restrictions on travelling as well as strict quarantine measures throughout the year.

In Cyprus, on 15 March 2020, the Council of Ministers in an extraordinary meeting, announced that it considers that Cyprus is entering a state of emergency considering the uncertain situation as it unfolds daily, the growing spread of COVID-19 outbreak and the World Health Organization's data on the situation.

To this end, certain measures have been taken by the Republic of Cyprus since then with a view to safeguarding public health and ensuring the economic survival of working people, businesses, vulnerable groups and the economy at large.

In parallel, governments, including the Republic of Cyprus, introduced various financial support schemes in response to the economic impacts of the COVID-19 coronavirus pandemic. The Company has not applied for such government assistance. The details of all the arrangements that might be available to the Company and the period throughout which they will remain available are continuing to evolve and remain subject to uncertainty. The Company is continuing to assess the implications for its business when these arrangements are no longer available and has reflected their impact in its stress-scenarios for going concern purposes.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event did have an immediate material impact on the business operations.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

26. Operating Environment of the Company (continued)

Management will continue to monitor the situation closely and will assess the need for any actions in case the period of disruption becomes prolonged.

27. Related party transactions

The Company was controlled by J&T Private Equity Group Limited, incorporated in Cyprus, which owned 100% of the Company's shares.

Until 15 December 2016, the ultimate controlling parties were nine non resident individuals and one resident individual.
However, as from 15 December 2016, the ultimate controlling parties are eight non resident individuals and one resident individual.

As from 20 June 2018, the ultimate controlling party is still J&T Private Equity Group Limited (99,77%) but the shareholders are:

(1) J&T Private Equity Group Limited, incorporated in Cyprus, which owns 99,77% of the Company's shares,
(2) Berg Nominees Limited (Cyprus - 0,038%),
(3) Mrs. Evridiki Havva (Cypriot individual - 0,038%),
(4) Mrs. Maria Skarpari (Cypriot individual - 0,038%),
(5) Global Bridge Trustees Limited (Cyprus - 0,038%),
(6) Profel Corporate Limited (Cyprus - 0,038%),
(7) Mrs. Eleni Stylianou (Cyprus - 0,038%).

As from 7 December 2020, the ultimate controlling party is still J&T Private Equity Group Limited (99,915%) but the shareholders are:

(1) J&T Private Equity Group Limited, incorporated in Cyprus, which owns 99,915% of the Company's shares,
(2) Berg Nominees Limited (Cyprus - 0,014%),
(3) Mrs. Evridiki Havva (Cypriot individual - 0,014%),
(4) Mrs. Maria Skarpari (Cypriot individual - 0,014%),
(5) Global Bridge Trustees Limited (Cyprus - 0,014%),
(6) Profel Corporate Limited (Cyprus - 0,014%),
(7) Mrs. Eleni Stylianou (Cyprus - 0,014%).

As from 29 December 2021, the ultimate controlling party is still J&T Private Equity Group Limited (99,921%) but the shareholders are:

(1) J&T Private Equity Group Limited, incorporated in Cyprus, which owns 99,921% of the Company's shares,
(2) Berg Nominees Limited (Cyprus - 0,013%),
(3) Mrs. Evridiki Havva (Cypriot individual - 0,013%),
(4) Mrs. Maria Skarpari (Cypriot individual - 0,013%),
(5) Global Bridge Trustees Limited (Cyprus - 0,013%),
(6) Profel Corporate Limited (Cyprus - 0,013%),
(7) Mrs. Eleni Stylianou (Cyprus - 0,013%).

27. Related party transactions (continued)

The following transactions were carried out with related parties:

27.1 Directors' remuneration

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

	2022	2021
	€	€
Directors' fees	64.500	952
Directors' remuneration	5.200	800
	69.700	1.752

27.2 Interest income

	2022	2021
	€	€
J&T Private Equity B.V.	2.043.797	970.611
	2.043.797	970.611

27.3 Interest expense

	2022	2021
	€	€
J&T Private Equity B.V.	1.013.880	839.369
	1.013.880	839.369

27.4 Loans to related parties (Note 18)

	2022	2021
	€	€
J&T Private Equity B.V.	18.432.176	20.480.948
	18.432.176	20.480.948

27.5 Loans from related parties (Note 23)

	2022	2021
	€	€
J&T Private Equity B.V.	13.774.486	3.993.695
	13.774.486	3.993.695

28. Emphasis of matter note

The entity's parent company, J&T Private Equity Group Limited is obliged to prepare audited consolidated financial statements in accordance with IFRSs as adopted by the EU, however these financial statements have not yet been prepared and approved by the Board of Directors. The Company's parent has previously prepared audited consolidated financial statements for the years ended 31 December 2014-2021.
In addition, the Company's parent is in the process of the preparation of audited consolidated financial statements for the year ended 31 December 2022 and these consolidated financial statements are expected to be issued by the Board of Directors within a reasonably short period after the issuance of the separate financial statements, not exceeding the Company's legal/regulatory timeframe obligations.

29. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2022.

30. Commitments

The Company had no capital or other commitments as at 31 December 2022 except from the following.

(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 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.

(iii) 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.

(iv) 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.

On 29 December 2022, the Company entered into Amendment No.1 to the Call and Put Option Agreement concluded on 20 April 2021 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.

(v) 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 40 ordinary shares of total nominal value of €1.327.760, issued by J&T Investment Pool -I- SKK, 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.

30. Commitments (continued)

On 29 December 2022, the Company entered into Amendment No.1 to the Call and Put Option Agreement concluded on 20 April 2021 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.

31. 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.

As explained in note 26 the geopolitical situation in Eastern Europe intensified on 24 February 2022, with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds and additional sanctions are imposed.

On 25 January 2023, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the acquisition of 13.200.000 investment shares in J&T Arch Investments, a.s., sub-fund of J&T Arch Invest. - rustova EUR, for the purchase price of €15.180.000.
The purchase price was settled on the same day.

On 2 February 2023, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the acquisition of 13.222.035 investment shares in J&T Arch Investments, a.s., sub-fund of J&T Arch Invest. - rustova EUR, for the purchase price of €15.337.560,60.
The purchase price was settled on the same day.

Per the Notarial Deed concluded on 16 January 2023, the Company incorporated JTPEG Financing 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.
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.

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 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.

On 6 March 2023, the interest payments relating to the fixed rate debentures issued on 6 March 2020 (JTSEC 4,60/2024) were made.

On 17 April 2023, the interest payments relating to the fixed rate debentures JTSEC 5,00/2023 were made.

Financial plans for the debentures JTSEC 5,00/2023 maturing on 16 October 2023 and for the debentures JTSEC 4,60/2024 maturing on 6 March 2024

Since the debentures issued by the Company during 2018 (JTSEC 5,00/2023) and the ones issued during 2020 (JTSEC 4,60/2024) mature on 16 October 2023 and 6 March 2024 respectively, which is less than 12 months from the date of these financial statements, the Directors have decided on the financial plans in order to meet the obligations from the maturity of all bonds.

31. Significant events after the end of the financial year (continued)

The current balance on Credit Contract No.46/JSML/2021/JTPE with J&T Private Equity B.V. ("Creditor", dated 1 March 2021) of approximately €62 million can be settled in order to repay the debentures which mature during 2023. Then, the Company can sell all investments currently held which were acquired and financed from the debentures issued by the Company.
The balance can be financed from further sales of shares and investments but currently, the Company has already incorporated 2 subsidiaries in the Slovak Republic and is in the process of incorporating 2 subsidiaries in the Czech Republic.
All subsidiaries will issue new bonds which shall be used for refinancing the debentures of the Company which mature in March 2024.

Independent auditor's report on pages 5 to 8

DETAILED INCOME STATEMENT
Year ended 31 December 2022

	Page	2022 €	2021 €
Revenue			
Dividend income		**4.779.912**	5.242.405
Interest income		**1.387.848**	1.113.344
Loan interest income		**3.320.586**	4.780.505
Net gain on trading in financial instruments		**17.639.323**	14.247.005
Net fair value gains on financial assets at fair value through profit or loss		**12.101.567**	21.402.313
Other operating income			
Profit from share derivatives		**-**	746.135
Profit from sale of financial assets at fair value through other comprehensive income		**57.710**	1.265
Reversal of impairment - debt investments at fair value through other comprehensive income		**257.295**	115.636
Reversal of impairment - loans to related parties		**602.221**	1.032.113
Reversal of impairment - trade receivables		**7**	-
Reversal of impairment - other receivables		**-**	350.888
Interest income		**113.083**	-
Exchange profit		**25.292.614**	17.030.314
		65.552.166	66.061.923
Operating expenses			
Administration expenses	69	**(962.923)**	(382.537)
		64.589.243	65.679.386
Other operating expenses			
Loss from share derivatives		**(1.987.927)**	(321.762)
Broker commission and charges		**(449.835)**	(389.801)
Impairment charge - debt investments at fair value through other comprehensive income		**(1.007.011)**	(258.938)
Impairment charge - loans to related parties		**(77.682)**	(494.140)
Impairment charge - trade receivables		**(8.291)**	(4.885)
Loss from sale of financial assets at fair value through other comprehensive income		**(47.741)**	(1.426.251)
Loss from sales of financial assets at fair value through profit or loss		**(3.433.800)**	(1.585.367)
Fair value losses on financial assets at fair value through profit or loss		**(10.282.176)**	(9.748.674)
Operating profit		**47.294.780**	51.449.568
Finance costs	70	**(38.323.201)**	(26.474.660)
Net profit for the year before tax		**8.971.579**	24.974.908

OTHER OPERATING EXPENSES
Year ended 31 December 2022

	2022	2021
	€	€
Administration expenses		
Directors' remuneration	**5.200**	800
Staff salaries	**3.250**	500
Social security costs	**845**	130
Social cohesion fund	**169**	26
Municipality taxes	**150**	250
Annual levy	**350**	350
Insurance	**245**	38
Repairs and maintenance	**2.057**	-
Courier expenses	**-**	1.088
Certification and legalisation expenses	**7.218**	9.759
Auditors' remuneration for the statutory audit of annual accounts	**34.000**	34.000
Auditors' remuneration - prior years	**6.460**	5.415
Accounting fees	**61.880**	61.881
Other professional fees	**127.606**	112.869
Translation fees	**1.433**	2.563
Directors' fees	**64.500**	952
Travelling	**356**	-
Legal and professional	**-**	8.459
Mediatory services	**250.229**	-
Other consultancy services	**299.020**	16.660
Administration and fees for bonds	**97.955**	126.797
	962.923	382.537

FINANCE COSTS
Year ended 31 December 2022

	2022	2021
	€	€
Finance costs		
Interest expense		
Loan interest	**1.138.133**	839.369
Bank overdraft interest	**1.320.491**	808.119
Loan interest on REPO agreements	**2.738.828**	1.994.901
Debenture interest	**7.324.973**	6.825.172
Sundry finance expenses		
Bank charges	**65.166**	16.153
Net foreign exchange losses		
Realised foreign exchange loss	**6.615.302**	8.423.001
Unrealised foreign exchange loss	**19.120.308**	7.567.945
	38.323.201	26.474.660

J&T SECURITIES MANAGEMENT PLC

COMPUTATION OF CORPORATION TAX
Year ended 31 December 2022

	Page	€	€
Net profit per income statement	68		8.971.579
Add:			
Broker commission and charges		449.835	
Loss from sale of financial assets at fair value through other comprehensive income		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		10.282.176	
Impairment charge - loans to related parties		77.682	
Impairment charge - trade receivables		8.291	
Impairment charge - debt investments at fair value through other comprehensive income		1.007.011	
Realised foreign exchange loss		6.615.302	
Unrealised foreign exchange loss		19.120.308	
Annual levy		350	
ADDITIONAL Non allowable interest		313.021	
Non-allowable interest		8.409.571	
Loss from share derivatives		1.987.927	
Deemed interest on loans receivable		44.218	
Mediation, consultancy and commission fees		614.249	
ADDITIONAL non-allowable expenses		16.662	
			52.428.144
			61.399.723
Less:			
Profit from sale of financial assets at fair value through other comprehensive income		57.710	
Profit from sale of financial assets at fair value through profit or loss		17.639.323	
Fair value gains on financial assets at fair value through profit or loss		12.101.567	
Reversal of impairment - debt investments at fair value through other comprehensive income		257.295	
Reversal of impairment - loans to related parties		602.221	
Reversal of impairment - trade receivables		7	
Dividends received		4.779.912	
Realised foreign exchange profit		8.133.663	
Unrealised foreign exchange profit		17.158.951	
			(60.730.649)
Chargeable income for the year			669.074

Calculation of corporation tax	Income €	Rate %	Total € c
Tax at normal rates:			
Chargeable income as above	669.074	12,50	83.634,25
Tax paid provisionally	600.000		(75.000,00)
TAX PAYABLE			8.634,25