

J&T SECURITIES MANAGEMENT PLC

**REPORT AND SEPARATE FINANCIAL
STATEMENTS**

31 December 2024

J&T SECURITIES MANAGEMENT PLC

REPORT AND SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

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J&T SECURITIES MANAGEMENT PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Jarmila Janosova
Baris John Nicolaides
BGS Director I Limited

Company Secretary:

D. H. Nominees Ltd

Independent Auditors:

KPSA
CHARTERED ACCOUNTANTS
15 Themistokli Dervi Street
1st floor, P.O. Box 27040
1641 Nicosia
Cyprus

LEI:

315700GBLUBZ50S45F53

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.
Prima banka Slovensko, a.s.
Privatbanka, a.s.

Registration number:

HE260821

J&T SECURITIES MANAGEMENT PLC

MANAGEMENT REPORT

The Board of Directors presents its report and audited separate financial statements of the Company for the year ended 31 December 2024.

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 separate financial statements are considered satisfactory.

As part of the Company's plans for future development, is the use of the total net proceeds from the listed bonds issue for refinancing of present debts purposes and for developing its business activities. In addition, the provision of funding to companies coming from the group of the shareholder.

However, the bonds have been repaid in 2024 and the Company is no longer listed entity.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 7, 8 and 28 of the separate financial statements.

Use of financial instruments by the Company

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

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

Market risk

Please refer to note 7.1.

Interest rate risk

Please refer to note 7.2.

Credit risk

Please refer to note 7.3.

Liquidity risk

Please refer to note 7.4.

Results and Dividends

The Company's results for the year are set out on page 7.

Dividends

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

Share capital

Authorised and Issued capital

Under its Memorandum the Company fixed its share capital at 1.000 ordinary shares of nominal value of €1 each.

During the years 2011 to 2023, the Company increased its authorised share capital by 74.970 ordinary shares of nominal value of €1 each. As a result, the authorised share capital of the Company increased to 75.970 ordinary shares of nominal value of €1 each.

On 16 December 2024, the Company increased its authorised share capital from 75.970 to 125.970 shares by the creation of 50.000 new shares, of nominal value of €1 per share.

J&T SECURITIES MANAGEMENT PLC

MANAGEMENT REPORT

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.

During the years 2011 to 2023, the Company increased its share capital by 74.970 ordinary shares of nominal value of €1 each at a total share premium of €151.864.030. As a result, the issued share capital of the Company increased to 75.970 ordinary shares of nominal value of €1 each.

On 16 December 2024, the Company increased its authorised share capital from 75.970 to 125.970 shares. The new 50.000 shares are issued at their nominal value of €50.000 and a premium of €49.950.000.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2024 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 2024.

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

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

Significant events after the end of the financial year

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

Independent Auditors

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

By order of the Board of Directors,


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

Nicosia, 30 April 2025

KPSA

P.O.Box 27040

1641 Nicosia

Cyprus

15 Themistokli Dervi street, 1st floor

1066 Nicosia

Cyprus

Telephone: +357 22 445500

Telefax: +357 22 672000

Internet: www.kpsa.com.cy

Independent Auditor's Report

To the Members of J&T Securities Management Plc

Report on the Audit of the Separate 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 2024, 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 of the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, 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 relating to separate financial statements.

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 Separate 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 separate 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as required by the Companies Law, Cap.113.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate 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.

Responsibilities of the Board of Directors for the Separate Financial Statements

The Board of Directors is responsible for the preparation of separate financial statements that give a true and fair view in accordance with IFRSs 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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.

Independent Auditor's Report (continued)

To the Members of J&T Securities Management Plc

Responsibilities of the Board of Directors for the Separate Financial Statements (continued)

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

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate 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.

Report on Other Legal Requirements

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

- In our opinion, based on the work undertaken in the course of our audit, 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 separate financial statements.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

Independent Auditor's Report (continued)

To the Members of J&T Securities Management Plc

Other Matters

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.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2024.

Comparative figures

The separate financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those separate financial statements on 29 April 2024.



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, 30 April 2025

J&T SECURITIES MANAGEMENT PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2024

	Note	2024 €	2023 €
Revenue	9	147.979.411	89.608.152
Net (loss)/profit from investing activities	11	(53.577.307)	15.552.644
Administration expenses		(1.427.417)	(4.847.345)
Net impairment loss on financial assets		(7.050.813)	(1.307.773)
Other expenses	12	(692.096)	(424.771)
Operating profit	13	85.231.778	98.580.907
Finance costs	15	(59.197.520)	(43.243.011)
Profit before tax		26.034.258	55.337.896
Tax	16	(283.233)	(899.592)
Net profit for the year		25.751.025	54.438.304
Other comprehensive income			
<i>Items that will not be classified subsequently to profit or loss:</i>			
		-	-
<i>Items that may be classified subsequently to profit or loss:</i>			
Financial assets at fair value through other comprehensive income - Fair value losses		(44.033)	(4.064)
Net reversal of impairment on debt investments		(378.123)	987.846
		(422.156)	983.782
Other comprehensive income for the year		(422.156)	983.782
Total comprehensive income for the year		25.328.869	55.422.086

The notes on pages 14 to 62 form an integral part of these separate financial statements.

J&T SECURITIES MANAGEMENT PLC

STATEMENT OF FINANCIAL POSITION

31 December 2024

	Note	2024 €	2023 €
ASSETS			
Non-current assets			
Investments in subsidiaries	17	24.777.541	260.066
Financial assets at fair value through other comprehensive income	18	28.013.841	3.769.984
Loans receivable	19	143.134.552	28.925.285
Total non-current assets		195.925.934	32.955.335
Current assets			
Trade and other receivables	20	148.175.649	72.064.433
Loans receivable	19	71.193.403	139.224.960
Financial assets at fair value through profit or loss	21	433.047.182	541.327.540
Cash at bank	22	1.044.579	157.280
Total current assets		653.460.813	752.774.213
Total assets		849.386.747	785.729.548
EQUITY AND LIABILITIES			
Equity			
Share capital	23	125.970	75.970
Share premium		201.814.030	151.864.030
Fair value reserve		440.017	17.861
Retained earnings		125.438.291	99.687.266
Total equity		327.818.308	251.645.127
Non-current liabilities			
Borrowings	24	264.085.884	194.603.043
Provisions for other liabilities and charges	25	1.500.846	610.549
Total non-current liabilities		265.586.730	195.213.592
Current liabilities			
Trade and other payables	26	7.251.567	332.514
Borrowings	24	248.519.338	338.413.888
Current tax liabilities	27	210.804	124.427
Total current liabilities		255.981.709	338.870.829
Total liabilities		521.568.439	534.084.421
Total equity and liabilities		849.386.747	785.729.548

The notes on pages 14 to 62 form an integral part of these separate financial statements.

J&T SECURITIES MANAGEMENT PLC

STATEMENT OF FINANCIAL POSITION
31 December 2024

On 30 April 2025 the Board of Directors of J&T Securities Management Plc authorised these separate financial statements for issue.



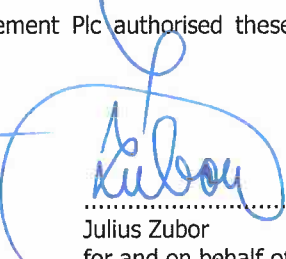
.....
Jarmila Janosova

Director



.....
Baris John Nicolaides

Director



.....
Julius Zubor
for and on behalf of BGS Director I
Limited
Director

The notes on pages 14 to 62 form an integral part of these separate financial statements.

J&T SECURITIES MANAGEMENT PLC

STATEMENT OF CHANGES IN EQUITY Year ended 31 December 2024

	Share capital €	Share premium €	Fair value reserve - Financial assets at fair value through other comprehensive income €	Retained earnings €	Total €
Balance at 1 January 2023	75.970	151.864.030	1.001.643	45.248.962	198.190.605
Comprehensive income					
Net profit for the year	-	-	-	54.438.304	54.438.304
Other comprehensive income for the year	-	-	(983.782)	-	(983.782)
Total comprehensive income for the year	-	-	(983.782)	54.438.304	53.454.522
Balance at 31 December 2023 / 1 January 2024	75.970	151.864.030	17.861	99.687.266	251.645.127
Comprehensive income					
Net profit for the year	-	-	-	25.751.025	25.751.025
Other comprehensive income for the year	-	-	422.156	-	422.156
Total comprehensive income for the year	-	-	422.156	25.751.025	26.173.181
Transactions with owners					
Issue of share capital	50.000	49.950.000	-	-	50.000.000
Total transactions with owners	50.000	49.950.000	-	-	50.000.000
Balance at 31 December 2024	125.970	201.814.030	440.017	125.438.291	327.818.308

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The notes on pages 14 to 62 form an integral part of these separate financial statements.

J&T SECURITIES MANAGEMENT PLC

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2024

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.

The notes on pages 14 to 62 form an integral part of these separate financial statements.

J&T SECURITIES MANAGEMENT PLC

CASH FLOW STATEMENT

Year ended 31 December 2024

	Note	2024 €	2023 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		26.034.258	55.337.896
Adjustments for:			
Exchange difference arising on the translation of non-current assets in foreign currencies		5.852.596	6.966.380
Unrealised exchange loss		3.619.356	4.212.884
(Profit)/loss from the sale of financial assets at fair value through other comprehensive income		(567.075)	305.505
Loss from the sale of financial assets at fair value through profit or loss		20.137.258	-
Fair value gains on financial assets at fair value through profit or loss		(9.052.779)	(30.830.693)
Impairment charge - investments in subsidiaries	17	5.050.896	-
Impairment charge - other guarantees	9	813.286	463.609
Impairment charge/(reversal of impairment) - debt investments at fair value through other comprehensive income	18	378.123	(987.846)
Impairment charge on loans to related parties	29	789.432	1.842.531
Impairment charge/(reversal of impairment) of trade receivables	20	12.564	(11.002)
Impairment charge of bank deposits	20	6.512	481
Charge to profit or loss for provisions	25	890.297	-
Dividend income	9	(2.591.161)	(12.878.889)
	9 &		
Interest income	11	(11.937.290)	(9.038.897)
Interest expense	15	31.116.890	20.196.647
		70.553.163	35.578.606
Changes in working capital:			
Increase in trade and other receivables		(77.464.719)	(57.725.620)
Increase in other guarantees		(813.286)	-
Decrease/(increase) in financial assets at fair value through profit or loss		93.060.870	(193.135.595)
Increase in bank deposits		(852.454)	(3.508)
(Decrease)/increase in trade and other payables		(21.560.698)	50.195
Set off of coupon payments on bonds issued		-	269.634
Cash generated from/(used in) operations		62.922.876	(214.966.288)
Interest received		11.649.667	11.497.095
Dividends received		2.591.161	12.878.889
Tax paid		(156.856)	(782.159)
Net cash generated from/(used in) operating activities		77.006.848	(191.372.463)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of financial assets at fair value through other comprehensive income		(72.602.973)	(136.585.732)
Payment for purchase of investments in subsidiaries	17	(245.992)	(260.066)
Loans granted		(673.716.005)	(332.094.989)
Loans repayments received		627.623.483	181.022.694
Proceeds from sale of financial assets at fair value through other comprehensive income		48.324.375	208.661.432
Interest received		27.111	6.706
Net cash used in investing activities		(70.590.001)	(79.249.955)

The notes on pages 14 to 62 form an integral part of these separate financial statements.

J&T SECURITIES MANAGEMENT PLC

CASH FLOW STATEMENT

Year ended 31 December 2024

	Note	2024 €	2023 €
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		50.000.000	-
Repayments of borrowings		(1.029.599.809)	(1.210.227.012)
Proceeds from borrowings		1.027.337.012	1.466.320.076
Proceeds from sale of repurchased own debentures		-	19.280.974
Unrealised exchange (loss)		(6.526.112)	(8.001.168)
Interest paid		(31.743.570)	(16.870.410)
Repayment of repurchased debentures		-	(60.366.554)
Payment of coupon of repurchased debentures		(492.609)	(401.733)
Repayment of expenses from issued debentures		(243)	(12.838)
Net cash generated from financing activities		8.974.669	189.721.335
Net increase/(decrease) in cash and cash equivalents		15.391.516	(80.901.083)
Cash and cash equivalents at beginning of the year		(95.692.758)	(14.947.852)
Effect of exchange rate fluctuations on cash held		-	156.177
Cash and cash equivalents at end of the year	22	(80.301.242)	(95.692.758)

The notes on pages 14 to 62 form an integral part of these separate financial statements.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

1. Incorporation and principal activities

Country of incorporation

The Company J&T Securities Management Plc (the "Company") was incorporated and domiciled in Cyprus since 14 January 2010 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Klimentos, 41-43, Klimentos Tower, 1st floor, Flat/Office 18, 1061, Nicosia, Cyprus.

Change of Company name

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

Principal activities

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

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

2. Basis of preparation

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

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

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company J&T Securities Management Plc and the financial statements of the following subsidiaries, JTSEC Financing I a.s. (100%, Slovak Republic), J&T Arch Bond I., a.s. (100%, Slovak Republic), JTSEC CZ Financing 1, a.s. (100%, Czech Republic), JTSEC Financing III a.s. (100%, Slovak Republic), J&T Arch Bond II., a.s. (100%, Slovak Republic), Diamca Investments Limited (100%, Cyprus) (which in turn owns RMSM1 Limited (100%, Cyprus)) and JTSEC CZ Financing 2, a.s. (100%, Czech Republic).

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2024 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

3. Functional and presentation currency

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

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 2024. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material" rather than "significant" accounting policies.

5. Material Accounting Policies

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

Management seeks not to reduce the understandability of these separate financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

Subsidiary companies

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

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

Revenue

- **Interest income**

Interest income is recognised using the effective interest method.

- **Dividend income**

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

Finance income

Interest income is recognised using the effective interest method.

Finance costs

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

Foreign currency translation

(1) Functional and presentation currency

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

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

5. Material Accounting Policies (continued)

Foreign currency translation (continued)

(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

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

Interim dividend distributions are recognised in the Company's financial statements in the year that they are paid.

Financial assets - Classification

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

5. Material Accounting Policies (continued)

Financial assets - Classification (continued)

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The Company considers information such as the stated policies and objectives for the portfolio and the operation of those policies, the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed, how managers of the business are compensated, or the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The assessment of the contractual cash flow characteristics means whether the financial instruments' cash flows represent solely payments of principal and interest (the SPPI test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a lending arrangement, the SPPI test is not passed. When performing the SPPI test, the Company takes into consideration the following factors: non-standard interest rate, financial leverage, early repayment options, longer repayment options, non-recourse arrangement, contract-linked instruments, hybrid instruments, instruments purchased with a significant discount/premium.

The Company has more than one business model for managing its financial instruments, which reflects how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company defines business models as follows:

"Hold and collect"

"Hold, collect and sell"

"Mandatorily at fair value"

"Trading"

"Fair value option"

The strategy "Hold and collect" has as its objective to hold financial assets in order to collect contractual cash flows of both principal and interest payments.

The strategy "Hold, collect and sell" has as its objective to both collect contractual cash flows and sell financial assets.

The strategy "Mandatorily at FV" is used for financial assets that are held for the purpose of holding and collecting or holding and collecting and selling, but that have not passed the SPPI test and cannot be measured at AC or FVOCI. The major investments of the Company are presented in this category.

The strategy "Trading" has active trading as its objective. Assets for which this strategy is used are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

The strategy "Fair value option" is used for assets that are at initial recognition irrevocably designated as measured at FVTPL in order to eliminate or significantly reduce a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising gains and losses using different bases.

Financial assets - Recognition

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

5. Material Accounting Policies (continued)

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.

Debt instruments

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

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

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

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

Loans and advances to customers: Loans and advances granted by the Company are classified as originated loans and receivables. Loans and advances are reported net of impairment allowance.

Modifications of the contractual terms may result in derecognition of the original asset when the changes to the terms of the loans are considered substantial. The Company considers modifications substantial, if the discounted present value of the cash flows under the new terms, including any fees received net of any fees paid and discounted using the original effective interest rate, is at least 10 % different from the discounted present value of the remaining cash flows of the original loan. In such case, the original financial asset is derecognized and a new financial asset is recognized at its fair value. The difference between the carrying amount of the derecognized asset and the fair value of the new asset is recognized in the consolidated income statement.

For all loans, where the modification of terms did not result in the derecognition of the loan, the gross carrying amount of the modified loan is recalculated based on the present value of the modified cash flows discounted at the original effective interest rate and any gain or loss from the modification is recorded in the income statement.

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

5. Material Accounting Policies (continued)

Financial assets - Measurement (continued)

Equity instruments

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

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

Financial assets - impairment - credit loss allowance for ECL

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

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

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

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

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

For 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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

5. Material Accounting Policies (continued)

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

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

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

Financial assets - Reclassification

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

Financial assets - write-off

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

Financial assets - modification

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

5. Material Accounting Policies (continued)

Cash and cash equivalents

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

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

Classification as financial assets at amortised cost

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

Financial guarantee contracts

Financial guarantee contracts are contracts that require the Company to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are recognised as a financial liability at the time the guarantee is issued.

Financial guarantees are initially recognised at their fair value, which is normally evidenced by the amount of fees received. In the absence of fees received, the fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantees are subsequently measured at the higher of (i) the amount determined in accordance with the expected credit loss model under IFRS 9 "Financial Instruments", and (ii) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 "Revenue from Contracts with customers".

Credit related commitments

The Company issues commitments to provide loans. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Company will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Company cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

5. Material Accounting Policies (continued)

Financial liabilities - measurement categories

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

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

Borrowings

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

Trade payables

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

Financial liabilities - Modifications

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

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

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

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

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.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

5. Material Accounting Policies (continued)

Derivative financial instruments

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

Derecognition of financial assets and liabilities

Financial assets

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

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

Financial liabilities

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

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

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

5. Material Accounting Policies (continued)

Fair value measurement

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

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

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

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

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

Comparatives

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

6. New accounting pronouncements

The following standards, amendments to standards and interpretations are effective for the first time for the year ended 31 December 2024, and have been applied in preparing the Company's financial statements.

- The amendment to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024, endorsed by the EU) aims to clarify how conditions that an entity must meet within 12 months after the end of the reporting period affect the classification of liabilities.
- The amendment to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024, endorsed by the EU) helps to determine whether liabilities with an uncertain settlement date should be classified as current or non-current.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024, endorsed by the EU). The amendments to the standard clarify how the seller (lessee) subsequently measures sale and leaseback transactions that meet the requirements of IFRS 15 for recognition as sale.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2024, endorsed by the EU) add disclosure requirements for qualitative and quantitative information related to supplier financing arrangements.

These amendments, effective for the first time for the year ended 31 December 2024 did not have any material impact on the Company's financial statements unless stated otherwise.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

7. Financial risk management

Financial risk factors

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

7.1 Market risk

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

7.2 Interest rate risk

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

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 cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions. Further, credit risk arises from financial guarantees and credit related commitments.

(i) Risk management

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

If debtor/borrower are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the debtor/borrower, 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.

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
- financial guarantees.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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

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

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

Significant increase in credit risk

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

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

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

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

Low credit risk

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

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Default

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

Write-off

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

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

Loans to related parties

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2024 and 31 December 2023:

Company external credit rating	2024 €	2023 €
Performing	<u>214.327.955</u>	168.150.245
Total	<u>214.327.955</u>	<u>168.150.245</u>

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

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

Cash and cash equivalents

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

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

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2024 and 31 December 2023:

Company external credit rating	External credit rating	2024 €	2023 €
Performing	Baa3	<u>1.044.579</u>	157.280
Total		<u>1.044.579</u>	<u>157.280</u>

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.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

7. Financial risk management (continued)

7.3 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Bonds at amortised cost

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

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2024 and 31 December 2023:

Company external credit rating	2024	2023
	€	€
Performing	<u>27.097.407</u>	<u>3.372.376</u>
Total	<u>27.097.407</u>	<u>3.372.376</u>

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

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

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

Impairment losses	2024	2023
	€	€
Impairment charge - investments in subsidiaries	(5.050.896)	-
Impairment charge - other guarantees	(847.036)	(463.609)
Impairment charge - debt investments at fair value through other comprehensive income	(383.507)	(2.183)
Impairment charge - loans to related parties	(1.694.767)	(1.842.531)
Impairment charge - trade receivables	(12.564)	(487)
Impairment charge - bank deposits	(6.512)	(481)
Reversal of impairment - other guarantees	33.750	-
Reversal of impairment - debt investments at fair value through other comprehensive income	5.384	990.029
Reversal of impairment - loans to related parties	905.335	-
Reversal of impairment - trade receivables	-	11.489
Net impairment loss on financial assets	<u>(7.050.813)</u>	<u>(1.307.773)</u>

(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.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

7. Financial risk management (continued)

7.4 Liquidity risk

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

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

31 December 2024	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €
Bank loans	149.657.398	153.797.036	89.367.250	64.429.786	-	-
Bank overdrafts	80.374.656	82.659.450	8.082.297	74.577.153	-	-
Trade and other payables	6.709.783	6.709.783	6.533.797	175.986	-	-
Payables to related parties	274.127	274.127	274.127	-	-	-
Loans from own subsidiaries	264.085.884	345.121.374	-	-	-	345.121.374
Loans from related parties	18.487.284	19.225.831	-	19.225.831	-	-
	519.589.132	607.787.601	104.257.471	158.408.756	-	345.121.374

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

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, the Czech koruna and the Romanian Leu. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

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

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

7. Financial risk management (continued)

7.5 Currency risk (continued)

	2024	Liabilities 2023	2024	Assets 2023
	€	€	€	€
USD	-	-	-	1.109.049
Euro	357.209.172	376.179.142	621.315.423	484.705.467
CZK	154.031.409	153.879.710	195.514.329	298.827.279
GBP	-	-	108.728	103.740
RON	5.718.529	-	6.280.251	-
	516.959.110	530.058.852	823.218.731	784.745.535

Sensitivity analysis

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

	2024	Equity 2023	2024	Profit or loss 2023
	€	€	€	€
Euro	-	-	-	-
CZK	(411)	(1.434)	(411)	(1.434)
USD	-	(11)	-	(11)
GBP	(1)	(1)	(1)	(1)
RON	(6)	-	(6)	-
	(418)	(1.446)	(418)	(1.446)

7.6 Capital risk management

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

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

Fair value estimation

Fair value measurements recognised in statement of financial position

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

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

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

7. Financial risk management (continued)

Fair value estimation (continued)

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

31 December 2024	Level 1 €	Level 2 €	Level 3 €	Total €
Financial assets				
J&T Investment Pool - I- CZK, a.s.	-	-	88.074.651	88.074.651
J&T Investment Pool - I - SKK, a.s	-	-	31.283.553	31.283.553
J&T OSTRAVICE ACTIVE LIFE	-	-	357.983	357.983
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova CZK	-	80.144.177	-	80.144.177
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova EUR	-	128.351.975	-	128.351.975
Red Stone Now s.r.o.	-	-	791.627	791.627
CEZ (CZK)	17.099.389	-	-	17.099.389
PRABOS PLUS	159.618	-	-	159.618
CATANA GROUP	7.575.000	-	-	7.575.000
PREMIERENE	6.280.251	-	-	6.280.251
JTPEG INVESTMENS FUND I SICAV	-	22.669.020	-	22.669.020
CORESTATE	450.872	-	-	450.872
J&T ARCH CONVERTIBLE SICAV.	-	-	972.102	972.102
J&T ARCH INVESTMENTS, podfond J&T ARCH INV. - dividend. CZK	-	630.777	-	630.777
J&T ARCH INVESTMENTS, podfond J&T ARCH INV. - dividend. EUR	-	-	11.988.000	11.988.000
RPF III 2026	-	1.195.133	-	1.195.133
FRAT.FUNDS	-	759.874	-	759.874
NUPEH CZ	-	305.221	-	305.221
J&T ARCH CONVERTIBLE VAR II./2034	24.007.209	-	-	24.007.209
JTSEC FINANCING III/2029	829.970	-	-	829.970
J&T BK 9% PERP	-	267.956	-	267.956
J&T FG 7,5% PERP	-	70.756	-	70.756
J&T BK 6,5% PERP	-	577.722	-	577.722
BKCRES 10 PERP	-	36.218.186	-	36.218.186
Total	56.402.309	271.190.797	133.467.916	461.061.022

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

7. Financial risk management (continued)

Fair value estimation (continued)

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

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

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

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.

Critical judgements in applying the Company's accounting policies

- **Fair value of financial assets**

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

- **Impairment of investments in subsidiaries**

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

- **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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

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.

- **Provisions**

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

- **Measurement of fair values**

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

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

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

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

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

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

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

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

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

9. Revenue

Disaggregation of revenue

	2024	2023
	€	€
Dividend from overseas	2.591.161	12.878.889
Interest income calculated using effective interest rate	2.064.443	1.285.613
Loan interest income calculated using effective interest rate	9.845.736	7.746.578
Net gain on trading in financial instruments	65.592.121	33.419.328
Net fair value gains on financial assets at fair value through profit or loss	67.885.950	34.277.744
	<u>147.979.411</u>	<u>89.608.152</u>

10. Interest income

Interest income is analysed as follows:

	2024	2023
	€	€
Financial assets carried at amortised cost::		
Receivables from reverse repurchase agreements	1.384.684	871.116
Financial assets designated at fair value through profit or loss: (Note 21)		
Other loans and receivables	8.461.052	6.875.462
Investment in debt instruments measured at FVTOCI (Note 21)	2.064.443	1.285.613
Total interest income	<u>11.910.179</u>	<u>9.032.191</u>

11. Net (loss)/profit from investing activities

	2024	2023
	€	€
Profit from sale of financial assets at fair value through other comprehensive income	17.425.437	333.652
Interest income	27.111	6.706
Exchange profit	24.798.936	19.298.494
Loss from sale of financial assets at fair value through other comprehensive income	(16.858.362)	(639.157)
Loss from sales of financial assets at fair value through profit or loss	(20.137.258)	-
Fair value losses on financial assets at fair value through profit or loss	(58.833.171)	(3.447.051)
	<u>(53.577.307)</u>	<u>15.552.644</u>

12. Other expenses

	2024	2023
	€	€
Broker commission and charges	692.096	424.771
	<u>692.096</u>	<u>424.771</u>

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

13. Operating profit

	2024 €	2023 €
Operating profit is stated after (crediting)/charging the following items:		
(Profit)/loss from the sale of financial assets at fair value through other comprehensive income (Note 18)	(567.075)	305.505
Directors' fees	71.400	71.400
Staff costs including Directors in their executive capacity (Note 14)	9.008	9.008
Auditors' remuneration for the statutory audit of annual accounts	56.000	97.000
Auditors' remuneration for other assurance services	35.000	-
Auditors' remuneration - prior years	41.299	6.460

14. Staff costs

	2024 €	2023 €
Salaries	8.450	8.450
Social security costs	389	389
Social cohesion fund	169	169
	9.008	9.008

Average number of employees (including Directors in their executive capacity):

Full time	-	-
Part time	2	2
	2	2

15. Finance costs

	2024 €	2023 €
Finance costs		
Interest expense		
Loan interest	16.602.288	4.691.270
Bank overdraft interest	10.287.822	3.629.993
Loan interest on REPO agreements	3.877.606	5.111.023
Debenture interest	348.920	6.764.361
Interest on taxes	254	-
Sundry finance expenses		
Bank charges	87.526	278.611
Net foreign exchange losses		
Realised foreign exchange loss	2.270.804	5.737.450
Unrealised foreign exchange loss	25.722.300	17.030.303
	59.197.520	43.243.011

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

16. Tax

	2024	2023
	€	€
Corporation tax - current year	180.714	185.089
Corporation tax - prior years	-	5.703
Overseas tax	102.519	708.749
Defence contribution - current year	-	51
Charge for the year	283.233	899.592

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

	2024	2023
	€	€
Profit before tax	26.034.258	55.337.896
Tax calculated at the applicable tax rates	3.254.282	6.917.237
Tax effect of expenses not deductible for tax purposes	19.308.117	5.909.068
Tax effect of allowances and income not subject to tax	(22.390.841)	(12.651.224)
10% additional charge	9.156	10.008
Defence contribution current year	-	51
Prior year tax	-	5.703
Overseas tax in excess of credit claim used during the year	102.519	708.749
Tax charge	283.233	899.592

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 17%. 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.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

17. Investments in subsidiaries

	2024	2023
	€	€
Balance at 1 January	260.066	-
Additions	111.725.371	260.066
Impairment charge	(5.050.896)	-
Decrease of share capital	(82.157.000)	-
Balance at 31 December	24.777.541	260.066

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2024 Holding %	2023 Holding %	2024 €	2023 €
JTSEC Financing I a.s.	Slovak Republic	Issuance of bonds and provision of loans	100	100	88.000	88.000
Accumulated impairment					(10.200)	-
J&T Arch Bond I., a.s.	Slovak Republic	Issuance of bonds and provision of loans	100	100	88.000	88.000
JTSEC CZ Financing 1, a.s.	Czech Republic	Issuance of bonds and provision of loans	100	100	84.066	84.066
Accumulated impairment					(77.117)	-
JTSEC Financing III a.s.	Slovak Republic	Issuance of bonds	100	-	88.000	-
J&T Arch Bond II., a.s.	Slovak Republic	Issuance of bonds	100	-	88.000	-
Accumulated impairment					(88.000)	-
Diamca Investments Limited	Cyprus	Trading and investing in securities and financing	100	-	29.322.379	-
Accumulated impairment					(4.834.731)	-
JTSEC CZ Financing 2, a.s.	Czech Republic	Issuance of bonds	100	-	69.992	-
Accumulated impairment					(40.848)	-
					24.777.541	260.066

JTSEC Financing I a.s.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

17. Investments in subsidiaries (continued)

Per the Notarial Deed concluded on 16 January 2023, the Company incorporated JTPEG Financing I a.s., a joint stock company registered in the Slovak Republic, with registered capital of €80.000 comprising of 80 shares with a nominal value of €1.000 each.

An additional amount of €8.000 was paid as a premium.

Per the resolution on the change of business name concluded on 16 February 2023, its name changed from JTPEG Financing a.s. to JTSEC Financing I a.s.

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

Per the Notarial Deed concluded on 21 February 2023, the Company incorporated JTSEC Financing II a.s., a joint stock company registered in the Slovak Republic, with registered capital of €80.000 comprising of 80 shares with a nominal value of €1.000 each.

The Company undertakes to pay issue rate to its issued shares in the amount of €88.000 which shall be repaid before filing of before submitting a proposal for company registration at companies register and from which the amount of €8.000 is share premium which will be used for creation reserve fund of the company.

Per the resolution on the change of business name concluded on 24 October 2023, its name changed from JTSEC Financing II a.s. to J&T Arch Bond I., a.s.

JTSEC CZ Financing 1, a.s.

Per the Notarial Deed concluded on 6 March 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.

JTSEC Financing III a.s.

Per the Notarial Deed concluded on 30 November 2023, the Company incorporated JTSEC Financing III a.s., a joint stock company registered in the Slovak Republic, with registered capital of €80.000 comprising of 80 shares with a nominal value of €1.000 each.

An additional amount of €8.000 was paid as a premium.

JTSEC Financing III a.s. was registered on 4 January 2024.

Per the Resolution of the Sole Shareholder dated 25 November 2024, the Company as the sole shareholder has been informed of the intention of JTSEC Financing III a.s. to issue bonds within its existing bond issuance program with a total nominal value of all outstanding bonds up to €200.000.000 secured by the sole shareholder's guarantee in bearer form. The total expected nominal value of the bonds will be up to €50.000.000 and the maximum number of bonds that may be issued shall be 50.000 which shall bear interest at a fixed rate of 5,9% per annum and shall be paid biannually in arrears.

On 24 September 2024, the Company ("Guarantor") and JTSEC Financing III a.s. ("Issuer") entered into a "Guarantee Agreement" in relation to the bonds of JTSEC Financing III a.s. to be issued under the bond issuance program of up to €200.000.000. The Company shall secure the Issuer's obligations from all the bonds issued under the program by a guarantee, and which is provided in favor of all bondholders. The Guarantor hereby unconditionally and irrevocably undertakes to each bondholder that if the Issuer fails to fulfil any secured obligation when it comes due and such failure is not remedied within 10 days, the Guarantor shall, upon written request of the bondholder, pay such amount instead of the Issuer.

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

On 29 March 2024, the Company established J&T Arch Bond 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.

An additional amount of €8.000 was paid as a premium.

Diamca Investments Limited

J&T SECURITIES MANAGEMENT PLC

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Year ended 31 December 2024

17. Investments in subsidiaries (continued)

On 28 May 2024, the Company ("Transferee") signed an "Instrument of Transfer" with JTPEG INVESTMENTS FUND I SICAV, a.s. ("Transferor") for the transfer of 119.801.000 ordinary shares in Diamca Investments Limited for a purchase price of €111.479.378,62.

Per the Special Resolution signed on 29 May 2024, Diamca Investments Limited decreased its share capital by €82.157.000. The share capital shall remain in the amount of €37.644.000.

The decrease was approved by Court and by the Registrar of Companies on 2 October 2024.

JTSEC CZ Financing 2, a.s.

On 30 August 2024, the Company ("Buyer") entered into an Agreement on Purchase of Securities with J&T Private Equity Group Limited ("Seller") for the transfer of 2.000.000 ordinary shares with total nominal value of CZK 2.000.000, representing 100% of the registered capital, for a purchase price of CZK 1.752.000, which is payable until 31 October 2024.

Per the Declaration for the purposes of registration in the Commercial Register dated 2 September 2024, the Company hereby declares to register JTSEC CZ Financing 2, a.s. as the sole shareholder.

Per the Resolution of the Sole Shareholder dated 18 November 2024, the Company as the sole shareholder has been informed of the intention of JTSEC CZ Financing 2, a.s. ("Issuer"):

- (i) to establish a bond program with a duration of 10 years, under which the Issuer will be able to issue bonds with a maximum aggregate nominal value of outstanding bonds up to CZK 3.000.000.000
- (ii) to issue the first issue of bonds with a fixed interest rate, with a total expected nominal value up to CZK 1.000.000.000 with the possibility of increase up to CZK 2.000.000.000 and maturity of 5 years
- (iii) to execute or prepare documentation relating to the establishment of the bond program and first issue
- (iv) to approve the issuance of any further issues of bonds
- (v) to approve the execution and preparation of documentation relating to additional issues.

On 12 November 2024, the Company ("Guarantor") entered into a "Mandate Agreement" with JTSEC CZ Financing 2, a.s. ("Issuer") in accordance to which, the Issuer intends to establish a bond programme with a maximum aggregate nominal value of the bonds of CZK 3.000.000.000 and enabling the issuance and public offer of senior bonds. The obligations of the Issuer under the bonds shall be secured by a guarantee issued by the Guarantor.

On 22 November 2024, the Company ("Guarantor") and JTSEC CZ Financing 2, a.s. ("Issuer") entered into a "Guarantee Agreement" in relation to the bonds of JTSEC CZ Financing 2, a.s. to be issued under the bond issuance program of up to CZK 3.000.000.000. For the purposes of this guarantee, the secured debts should be the debts of the Issuer against the holders of the bonds whether existing as at the date of this guarantee or arising in the future at any time up to and including December 2035. The Guarantor provides the guarantee until the full repayment and discharge of the secured debts. The liability of the Guarantor is limited to the total maximum amount of CZK 4.500.000.000.

18. Financial assets at fair value through other comprehensive income

	2024	2023
	€	€
Balance at 1 January	3.769.984	78.534.862
Additions	72.602.973	135.650.919
Disposals	(48.745.288)	(213.305.097)
Reversal of impairment	-	987.846
Exchange differences	(52.586)	611.777
Revaluation difference transferred to equity	44.033	4.064
Interest income	394.725	1.285.613
Balance at 31 December	28.013.841	3.769.984

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

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

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

	2024	Cost 2023	2024	Fair values 2023
	€	€	€	€
Perpetual notes listed on a Stock Exchange	881.962	407.365	916.434	397.608
Debt securities	26.842.310	3.209.783	27.097.407	3.372.376
	27.724.272	3.617.148	28.013.841	3.769.984

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

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

(B) On 31 December 2024, the Company holds 66 pieces of fixed rate perpetual notes of J&T Banka 9% PERP CZK, 18 pieces of fixed rate perpetual notes of J&T FG 7,5% PERP CZK and 150 pieces of fixed rate perpetual notes of J&T BK 6,5% PERP CZK.

Additionally, on 31 December 2024, the Company holds 13 coupon bonds in Retail Property Finance III, s.r.o (RPF III 2026), 2.000 coupon bonds in Fraternity Funds SICAV PLC (FRAT.FUNDS 5,25/26), 5.000 coupon bonds in NUPEH CZ s.r.o. (NUPEH CZ 5,90/25), 24.007.209 coupon bonds in J&T Arch Bond II (JT ARCH CONVERTIBLE VAR II./2034) and 1.100 coupon bonds in JTSEC Financing III a.s. (JTSEC Financing III/2029).

(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.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

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

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

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

	2024 €	2023 €
Profit from sale of financial assets at fair value through other comprehensive income	17,425,437	333,652
Loss from sale of financial assets at fair value through other comprehensive income	(16,858,362)	(639,157)
Reversal of impairment - debt investments at fair value through other comprehensive income	5,384	990,029
Impairment charge - debt investments at fair value through other comprehensive income	(383,507)	(2,183)
Net profit on financial assets at fair value through other comprehensive income	188,952	682,341

19. Loans receivable

	2024 €	2023 €
Balance at 1 January	168,150,245	18,432,176
New loans granted	673,715,895	332,094,989
Repayments	(635,286,815)	(187,478,706)
Interest charged	8,461,051	6,875,462
Reversal of impairment / (Impairment charge)	(712,421)	(1,773,676)
Balance at 31 December	214,327,955	168,150,245

	2024 €	2023 €
Loans to related parties (Note 29.6)	214,327,955	168,150,245
Less current portion	(71,193,403)	(139,224,960)
Non-current portion	143,134,552	28,925,285

The loans are repayable as follows:

	2024 €	2023 €
Within one year	71,193,403	139,224,960
Between one and five years	143,134,552	28,925,285
	214,327,955	168,150,245

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

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

19. Loans receivable (continued)

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

	2024	2023
Loans to related parties	4,5%, 5,30% + 3M EURIBOR, 3,97% + 6M EURIBOR, 5,664% + 6M EURIBOR, 6,34%, 6,66%	4,5%, 5,30% + 3M EURIBOR, 3,97% + 6M EURIBOR, 5,664% + 6M EURIBOR

I. During 2023 and 2024, Loans to related parties relate to the following:

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

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

The loan was fully repaid on 5 March 2024.

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

Per Amendments No.1 to No.5, the interest rate was amended to 3Month Euribor plus 5,30% per annum, the principal amount of the loan increased to €101.900.000 and the repayment date was extended until 19 April 2024.

Per Amendment No.6 signed on 19 April 2024, the repayment date was extended until 17 April 2025.

Per Amendment No.7 signed on 27 May 2024, the principal amount of the loan increased to €116.900.000.

Per Amendment No.8 signed on 13 June 2024, the principal amount of the loan increased to €131.900.000.

Per Amendment No.9 signed on 20 August 2024, the principal amount of the loan increased to €151.900.000.

Per Amendment No.10 signed on 20 September 2024, the principal amount of the loan increased to €223.900.000.

Per Amendment No.11 signed on 21 October 2024, the principal amount of the loan increased to €295.180.000.

Per Amendment No.12 signed on 4 November 2024, the principal amount of the loan increased to €365.180.000.

Per Amendment No.13 signed on 12 November 2024, the principal amount of the loan increased to €415.180.000.

Per Amendment No.14 signed on 4 December 2024, the principal amount of the loan increased to €437.180.000.

Per Amendment No.15 signed on 26 February 2025, the principal amount of the loan increased to €507.180.000.

Per Amendment No.16 signed on 27 March 2025, the principal amount of the loan increased to €539.180.000 and the repayment date was extended until 17 April 2026.

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

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

19. Loans receivable (continued)

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

Per Amendment No.1 signed on 15 October 2024, the repayment date was extended until 15 October 2025.

(v) On 29 October 2024, the Company ("Lender") entered into a Senior Term Intra-Group Facility Agreement with J&T Private Equity B.V. ("Borrower"), for the granting of a loan up to the amount of €100.000.000. The loan shall bear interest as follows:

- (i) for the first interest period a rate of 6,66% per annum;
- (ii) for the second interest period a rate of 6,46% per annum;
- (iii) for the third interest period a rate of 6,45% per annum;
- (iv) for the fourth interest period a rate of 6,44% per annum and;
- (v) for the fifth interest period a rate of 6,49% per annum.

The loan shall be repayable until 27 October 2029.

(vi) On 20 December 2024, the Company ("Lender") entered into a Senior Term Intra-Group Facility Agreement with J&T Private Equity B.V. ("Borrower"), for the granting of a loan up to the amount of €51.000.000. The loan shall bear interest of 6,34% per annum and shall be repayable until 18 December 2029.

20. Trade and other receivables

	2024	2023
	€	€
Trade receivables	93.298.404	23.948.715
Less: credit loss on trade receivables	(14.731)	(2.167)
Trade receivables - net	93.283.673	23.946.548
Receivables from reverse repurchase agreements	54.891.976	48.029.885
Prepayments	-	88.000
	148.175.649	72.064.433

For a summary of key terms and conditions relating to the balances with related parties, refer to note 29 of the separate 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 separate financial statements.

(A) On 31 December 2023 and 2024, Trade receivables mainly relate to the balances of broker accounts held with a regulated financial institution and outstanding transactions of €21.800.000 and €85.000.000 respectively (cleared in the following year).

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

As at 31 December 2024, Loans receivable represent a REPO Agreement for 15.680.000 shares in POSTNL NV and 1.625.000 shares in CEZ. The Company purchased and agreed to buy back the above shares for a total of €9.945.196,80 plus interest and €44.810.016,37 plus interest, respectively.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

20. Trade and other receivables (continued)

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

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

Per Amendments No1. to 3, the Call and Put Option Period is extended until 31 December 2024 (inclusive). In the case when JTPEG exercises the Call Option, the right of the Company to exercise the Put Option ceases to exist.

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

(D) Prepayments relate to the following:

Per the Notarial Deed concluded on 30 November 2023, the Company incorporated JTSEC Financing III a.s., a joint stock company registered in the Slovak Republic, with registered capital of €80.000 comprising of 80 shares with a nominal value of €1.000 each.

An additional amount of €8.000 is paid as a premium.

JTSEC Financing III a.s. was registered on 4 January 2024.

21. Financial assets at fair value through profit or loss

	2024 €	2023 €
Financial assets mandatorily measured at fair value through profit or loss in accordance with IFRS 9		
Securities listed on a Stock Exchange	240.692.059	23.994.896
Non-listed securities	192.355.123	509.079.735
Option on share instruments	-	8.252.909
	433.047.182	541.327.540
	2024 €	2023 €
Balance at 1 January	541.327.540	324.939.409
Additions	1.335.233.827	2.411.941.271
Disposals	(1.440.179.045)	(2.218.805.676)
Change in fair value	9.052.779	30.830.693
Exchange differences	(5.800.010)	(7.578.157)
Interest income	1.665.000	-
Cancellation of option	(8.252.909)	-
Balance at 31 December	433.047.182	541.327.540

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

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

	2024 €	2023 €
Fair value of assets for trading		
Level 1 - quoted market prices	31.565.130	23.725.300
	31.565.130	23.725.300
Fair value of derivatives		
Level 2 – derived from quoted prices	268.014.134	-
Level 3 – calculated using valuation techniques	132.676.290	8.252.909
	400.690.424	8.252.909

	Fair values 2024 €	Cost 2024 €	Fair values 2023 €	Cost 2023 €
Securities listed on a Stock Exchange	240.692.059	219.942.577	404.393.593	292.587.182
Securities non-listed	191.997.140	169.223.477	128.411.442	202.406.920
Option on share instrument	-	-	8.252.909	11.270.789
Investment funds units	357.983	276.599	269.596	281.760
	433.047.182	389.442.653	541.327.540	506.546.651

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

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

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

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

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

Investment	Type of investment	Percentage in the investment category	2024 €	2023 €
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova CZK	Security	5,70%	36.439.179	183.103.944
J&T ARCH INVESTMENTS, podfond J&T ARCH INVEST. - rustova EUR	Security	11,07%	128.351.975	188.128.043
J&T Ostravice Active Life	Unit certificate	- %	357.983	269.596
Best Hotel Properties a.s. (BHP)	Security	- %	-	1.807.207
J&T Investment Pool -I- SKK, a.s.	Security	36,89%	31.283.553	29.490.232
J&T Investment Pool -I- CZK, a.s.	Security	79,00%	88.074.651	84.561.722
JTPEG INVESTMENS FUND I SICAV	Security	14,69%	22.669.020	-
J&T ARCH CONVERTIBLE SICAV, a.s.	Security	50,00%	972.102	974.267
Red Stone Now s.r.o.	Ordinary shares	49,90%	791.627	984.014
Red Stone Now SK a.s.	Ordinary shares	49,75%	-	-
J&T ARCH INVESTMENTS, podfond J&T ARCH INV. - dividend. CZK	Dividend shares	0,52%	630.777	9.436.306
J&T ARCH INVESTMENTS, podfond J&T ARCH INV. - dividend. EUR	Dividend shares	89,10%	11.988.000	10.594.000
			321.558.867	509.349.331

Associates measured at fair value through profit or loss

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

As of 31 October 2018, the Company signed a "Declaration on the Transfer of Deposit Obligations" with Red Stone Now, s.r.o., resulting in the Company holding 49,9% of the share capital in Red Stone Now, s.r.o. for CZK 199.600. The remaining 50,1% is held by the existing shareholder.

On 22 January 2020, an amendment terminated the Preferred Rights to Profit Share and other resources once the Company pays the Investor the provided Investment plus 12,4% p.a. interest.

The Company agreed to provide additional surcharges to Red Stone Now, s.r.o. amounting to CZK 9.954.373 and CZK 40.000.000. A Settlement Contract dated 31 October 2018 set off mutual claims between the Company and Red Stone Now, s.r.o.

On 20 November 2018, the Company established a pledge for its shares in Red Stone Now, s.r.o. to secure a loan of CZK 50.000.000. Amendments in December 2022 included an additional shareholding increase of CZK 104.432 and a voluntary contribution of CZK 70.491.913, which was returned to the Company on the same day.

As of 2 December 2022, Red Stone Now, s.r.o. increased its share capital from CZK 400.000 to CZK 609.283, with the Company contributing 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 was equal to the total nominal value of the shares, €49.500.

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.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

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

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") to secure the Pledgee's receivables from Red Stone Now SK a.s. under a loan agreement. 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.

22. Cash at bank

	2024	2023
	€	€
Cash at bank and in hand	80.407	39.050
Bank deposits	971.165	118.711
Accumulated impairment losses on cash and cash equivalents	(6.993)	(481)
	<u>1.044.579</u>	<u>157.280</u>

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.

As from 14 February 2024, the Deposit Account bears interest at the rate of 5,00% per annum.

As from 2 May 2024, the Deposit Account bears interest at the rate of 4,25% per annum.

As from 12 August 2024, the Deposit Account bears interest at the rate of 3,50% per annum.

As from 10 October 2024, the Deposit Account bears interest at the rate of 3,25% per annum.

As from 29 November 2024, the Deposit Account bears interest at the rate of 2,40% per annum.

On 12 September 2024, the Company requested for an establishment of a Deposit Account with Notice period of 1 day which bears interest at the rate of 3,20% per annum.

As from 10 October 2024, the Deposit Account bears interest at the rate of 2,80% per annum.

As from 1 December 2024, the Deposit Account bears interest at the rate of 2,70% per annum.

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

	2024	2023
	€	€
Cash at bank and in hand	73.414	38.569
Bank overdrafts (Note 24)	(80.374.656)	(95.731.327)
	<u>(80.301.242)</u>	<u>(95.692.758)</u>

Cash balances by currency:

	2024	2023
	€	€
Euro	890.557	18.521
Czech koruna	161.015	138.759
	<u>1.051.572</u>	<u>157.280</u>

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

22. Cash at bank (continued)

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 separate financial statements.

23. Share capital

	2024 Number of shares	2024 €	2023 Number of shares	2023 €
Authorised				
Ordinary shares of €1 each	75.970	75.970	75.970	75.970
Increase of Authorised share capital in 2024 - Ordinary shares of €1 each	50.000	50.000	-	-
	125.970	125.970	75.970	75.970
Issued and fully paid				
Balance at 1 January	75.970	75.970	75.970	75.970
Issue of shares	50.000	50.000	-	-
Balance at 31 December	125.970	125.970	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.

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.

On 16 December 2024, the Company increased its authorised share capital from 75.970 to 125.970 shares. The new 50.000 shares are issued at their nominal value of €50.000 and a premium of €49.950.000.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

24. Borrowings

	2024 €	2023 €
Balance at 1 January	533.016.931	237.822.748
Additions	1.027.337.012	1.466.320.076
Repayments	(1.053.966.391)	(1.224.698.178)
Interest for the year	24.973.951	17.028.037
Exchange differences	(2.906.758)	(2.977.902)
Movement of bank loan overdraft	(15.356.671)	80.752.667
Repurchase of own long term debentures	(492.609)	(60.366.554)
Payment of coupon of repurchased debentures	-	(401.733)
Capitalised expenses	(243)	(12.838)
Sale of repurchased own long term debentures	-	19.280.974
Set-off of coupon payments on bonds issued	-	269.634
Balance at 31 December	512.605.222	533.016.931

	2024 €	2023 €
Current borrowings		
Bank overdrafts (Note 22)	80.374.656	95.731.327
Bank loans	149.657.398	109.006.981
Debentures	-	56.786.732
Loans from related parties (Note 29.8)	18.487.284	76.888.848
	248.519.338	338.413.888

Non-current borrowings		
Bank loans	-	40.461.383
Loans from own subsidiaries (Note 29.8)	264.085.884	154.141.660
	264.085.884	194.603.043

Total	512.605.222	533.016.931
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Maturity of non-current borrowings:

	2024 €	2023 €
Between one to two years	-	40.461.383
Between two and five years	264.085.884	154.141.660
	264.085.884	194.603.043

On 31 December 2023 and 2024, the bank loans and the bank loan overdraft are secured as follows:

Bank loans - REPO Agreements

- By a pledge of 1.625.500 shares in CEZ, a.s. (CEZ) in 2024 (2023: 1.328.500 shares in CEZ, a.s. (CEZ)).
- By a pledge of 15.680.000 shares in POSTNL NV in 2024 (2023: 11.040.000 shares in POSTNL NV).
- By a pledge of 636.251.552 pieces of J&T Arch Investments, sub-fund (CZK) in 2024 (2023: 686.747.960 pieces of J&T Arch Investments, sub-fund (CZK) and 35.450.000 pieces of J&T Arch Investments, sub-fund (EUR)).
- By a pledge of 28.040.659 shares, issued by J&T ARCH INVESTMENTS SICAV, a.s. on behalf of sub-fund J&T ARCH INVESTMENTS podfond in 2024 (2023: nil).

Bank overdraft

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

24. Borrowings (continued)

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

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

	2024 %	2023 %
Bank overdrafts	3M Euribor + 5%, 6M Euribor + 5,264%, €STR +1,50%, 1,60%, 2,00%	3M Euribor + 5%, 6M Euribor + 5,264%, €STR +1,50%
Bank loans	6M EURIBOR + 4,75%, 4,00%, 4,25%, 4,50%, 4,75%, 4,80%	6M EURIBOR + 4,75%, 5,50%, 5,90%, 6,80%, 7,27%, 4,60%
Debentures	-	-
Loans from own subsidiaries	6M EURIBOR + 3,57%, 6,6605%, 6,7695%, 8,48%	6M EURIBOR + 3,57%, 8,48%
Loans from related parties	4%	4%

(A) Loans from related parties during 2023 and 2024 relate to the following:

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

Per Amendments No.1 to 3, the credit limit was increased to the amount of €136.800.000 and the repayment date has been extended until 30 June 2024.

Per Amendment No.4 signed on 28 June 2024, the repayment date has been extended until 31 December 2024.

Per Amendment No.5 signed on 31 December 2024, the repayment date has been extended until 31 December 2025.

As at 31 December 2023 and 2024, this loan is subordinated to Loan Agreement no. EUR 34/KTK/2022 entered into with J&T Banka, a.s. on 27 September 2022.

(ii) On 28 May 2024, the Company entered into an "Agreement on Set off of Receivables" with JTPEG INVESTMENTS FUND I SICAV, a.s. according to which JTPEG INVESTMENTS FUND I SICAV, a.s. has a receivable against the Company in the amount of €111.479.378,62 representing unpaid purchase price, originating from the Contract on Transfer of shares dated 28 May 2024 ("Receivable A") and the Company has a receivable in the amount of €82.157.894,06 originating from the Assignment Agreement concluded on the same date ("Receivable B"). After the set off, Receivable A further exists in the amount of €29.321.484,56 and Receivable B becomes extinct in full. On 22 November 2024, the loan was fully repaid.

(B) Loans from subsidiaries during 2023 and 2024 relate to the following:

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

24. Borrowings (continued)

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

Per the Letter signed on 12 August 2024, JTSEC Financing I a.s. requested the early repayment of part of accrued interest in the amount of €15.000 which has been discounted from the accrued interest as to 22 August 2024. The amount should be repaid not later than 22 August 2024.

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

(iii) On 29 October 2024, the Company ("Borrower") entered into a Senior Term Intra-Group Facility Agreement with JTSEC Financing III a.s. ("Lender") for the provision of a loan up to the amount of €100.000.000. According to the Agreement, one or more loans in EUR can be made available to the Company in an aggregate outstanding amount not exceeding the Notes Limit, i.e. as of the date of this Agreement €100.000.000. The loan shall bear interest as follows:

- (i) for the first interest period a rate of 6,41% per annum;
 - (ii) for the second interest period a rate of 6,21% per annum;
 - (iii) for the third interest period a rate of 6,20% per annum;
 - (iv) for the fourth interest period a rate of 6,19% per annum;
 - (v) for the fifth interest period a rate of 6,24% per annum.
- The loan shall be payable until 27 October 2029.

(iv) On 20 December 2024, the Company ("Borrower") entered into a Senior Term Intra-Group Facility Agreement with JTSEC Financing III a.s. ("Lender") for the provision of a loan up to the amount of €51.000.000. According to the Agreement, one or more loans in EUR can be made available to the Company in an aggregate outstanding amount not exceeding the Notes Limit, i.e. as of the date of this Agreement €51.000.000. The loan shall bear interest of 6,09% per annum and shall be payable until 18 December 2029.

(v) On 31 December 2024, the Company ("New Debtor") entered into a Contract on Debt Assumption with JTSEC Financing III a.s. ("Original Debtor") according to which J&T Banka, a.s. issued to the Original Debtor an invoice relating to the placement of bonds in the amount of €788.020. The Company should take over from the Original Debtor the debt with a final maturity date on 24 January 2025. The Original Debtor is obliged to pay to the Company for the assumption of the debt a remuneration in the amount of €788.020. As of today, the Original Debtor has a receivable against the Company in the total amount of €788.020 due to the re-invoicing of costs related to the issue of JTSEC FIN III 5.90/2029 bonds. The parties have agreed that the remuneration should be set off against the Original Debtor's receivable, whereby both of these receivable will lapse.

(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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

24. Borrowings (continued)

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

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

On 31 December 2024, the bank loans represent REPO agreements for 1.625.000 shares in CEZ and 15.680.000 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 €44.810.016,37 (for CEZ) and €9.945.196,80 (for POSTNL NV) plus interest.

It also holds 636.251.552 pieces of J&T Arch Investments, podfund (CZK) 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 859.953.000,72 plus interest.

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

(iii) On 1 August 2024, the Company ("Borrower") entered into a "Credit Facility Agreement No. 27/2024" with a financial institution for the provision of a credit facility in the amount of €20.000.000 which shall bear interest of 6M Euribor plus a fixed rate of 4,75% per annum and shall be repayable until 31 October 2025.

On 1 August 2024, the Company ("Pledgor") entered into a "Securities Pledge Agreement No. 27/2024/1" with a financial institution ("Pledgee") according to which the Company is obliged to provide security to the Pledgee pursuant to the Credit Facility Agreement in the amount of €20.000.000 ("Secured Agreement") for debts up to the amount of €45.000.000 and for the period until 31 December 2040 at the latest. The Company hereby creates a pledge in favor of the Pledgee and pledges 28.040.659 shares, issued by J&T ARCH INVESTMENTS SICAV, a.s. on behalf of sub-fund J&T ARCH INVESTMENTS podfond.

(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).

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.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

24. 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.

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

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

24. Borrowings (continued)

On 6 March 2024, the bonds have been repaid.

(F) Bank loan overdraft

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

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

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

Per Amendment No.3 signed on 17 April 2024, the maturity date was extended until 17 April 2025.

On 3 April 2025, the maturity date was extended until 16 April 2026.

The bank overdraft is secured by a blank promissory note.

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

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

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

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

Per Amendment No.18 to the Master Agreement to provide non-binding credits signed on 15 August 2023, the interest rate shall be amended as follows:

- (i) ESTR for the respective interest period plus a fixed margin of 1,5% per annum for credit drawdown in EUR in the period from the day after the effective date of this Amendment until 31 December 2023, and
- (ii) ESTR for the respective interest period plus a fixed margin of 2,5% per annum for credit drawdown in EUR in the period from 1st January 2024.

Per Amendment No.19 to the Master Agreement to provide non-binding credits signed on 25 January 2024, the interest rate shall be amended as follows:

- (i) ESTR for the respective interest period plus a fixed margin of 1,5% per annum for credit drawdown in EUR in the period from the day after the effective date of this Amendment until 31 December 2024, and
- (ii) ESTR for the respective interest period plus a fixed margin of 2,5% per annum for credit drawdown in EUR in the period from 1st January 2025.

The bank overdraft is repayable until 31 January 2025.

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

24. Borrowings (continued)

Per Amendment No.20 to the Master Agreement to provide non-binding credits signed on 19 December 2024, the interest rate shall be amended as follows:

- (i) ESTR for the respective interest period plus a fixed margin of 1,5% per annum for credit drawdown in EUR in the period from the day after the effective date of this Amendment until 31 December 2025, and
- (ii) ESTR for the respective interest period plus a fixed margin of 2,5% per annum for credit drawdown in EUR in the period from 1st January 2026.

Per Amendment No.21 to the Master Agreement to provide non-binding credits signed on 29 January 2025, the bank overdraft is repayable until 31 January 2026.

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

To secure the Secured Debts, the Company establishes a security interest to the benefit of the Pledgee and pledges:

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

(iii) On 17 October 2023, the Company ("Debtor") entered into a Credit Contract No. 010/23/550088 with a financial institution ("Creditor") for the provision of a bank overdraft in the form of authorised debit balance on the Account of the Company up to the amount of €30.000.000, which bears interest of 6M Euribor plus 5,264% per annum, which is repayable until 15 October 2024.

The loan is secured by:

- i. a blank promissory note,
- ii. a Notarial Deed and,
- iii. the pledge over receivables.

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

Per Amendment No.1 signed on 14 October 2024, the repayment date was extended until 15 October 2025.

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

25. Provisions for other liabilities and charges

	Other guarantees €	Loan commitments €	Total €
Balance at 1 January 2023	-	78.085	78.085
Charged/(credited) to profit or loss	463.609	68.855	532.464
Balance at 31 December 2023/ 1 January 2024	463.609	146.940	610.549
Charged/(credited) to profit or loss	813.286	77.011	890.297
Balance at 31 December 2024	1.276.895	223.951	1.500.846

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

26. Trade and other payables

	2024	2023
	€	€
Trade payables	5.718.529	2.935
Social insurance and other taxes	349	336
VAT	132.859	72.029
Derivative financial instruments	175.986	-
Accruals	134.449	145.861
Other creditors	815.268	27.913
Payables to own subsidiaries (Note 29.7)	182.816	-
Payables to other related parties (Note 29.7)	91.311	83.440
	<u>7.251.567</u>	<u>332.514</u>

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

(A) During 2024, Payables to subsidiaries relate to the following:

On 28 May 2024, the Company ("Assignee") entered into an "Assignment Agreement" with Diamca Investments Limited ("Assignor") for the assignment of the Assignor's receivable against JTPEG INVESTMENTS FUND I SICAV, a.s. in the amount of €82.157.894,06. The remuneration for the assignment shall be €82.157.894,06 and is payable within 5 months from the date of signature of this Agreement.

Per Amendment No.1 signed on 29 May 2024, the remuneration is due by 15 September 2024.

Per Amendment No.2 signed on 13 September 2024, the remuneration is due by 25 October 2024.

On 9 October 2024, the Company entered into an "Agreement on Set off of Receivables" with Diamca Investments Limited according to which Diamca has a receivable against the Company in the amount of €82.157.894,06 consisting of unpaid remuneration originating from the Assignment Agreement dated 28 May 2024 ("Receivable A") and the Company has a receivable in the amount of €82.157.000 originating from the Extraordinary General Meeting dated 29 May 2024, representing reduced share capital. The reduction of share capital is valid by the court decision of 8 October 2024 ("Receivable B"). After the set off, Receivable A further exists in the amount of €894,06 and Receivable B becomes extinct in full.

(B) As at 31 December 2023 and 2024, Trade payables relate to the balances of the broker accounts held with a regulated financial institution.

27. Current tax liabilities

	2024	2023
	€	€
Corporation tax	210.804	124.427
	<u>210.804</u>	<u>124.427</u>

28. Operating Environment of the Company

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October 2023. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, the Company is not directly exposed. Management will continue to monitor the situation closely and take appropriate actions when and if needed.

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

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

28. Operating Environment of the Company (continued)

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

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

29. Related party transactions

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

As from 16 December 2024, J&T Private Equity Group Limited owned 99,952% of the Company's shares.

The following transactions were carried out with related parties:

29.1 Directors' remuneration

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

	2024	2023
	€	€
Directors' fees	71.400	71.400
Directors' remuneration	5.200	5.200
	76.600	76.600

29.2 Interest income

		2024	2023
	<u>Nature of transactions</u>	€	€
J&T Private Equity B.V. (related)	Loans	8.461.052	6.875.462
Brandoven Limited (related)	Reverse repurchase agreements	414.942	-
Diamca Investments Limited (subsidiary)	Reverse repurchase agreements	419.178	-
		9.295.172	6.875.462

29.3 Interest expense

	2024	2023
	€	€
J&T Private Equity B.V. (related party)	2.398.590	1.125.702
JTSEC Financing I a.s. (subsidiary)	2.249.264	1.270.080
JTSEC CZ Financing I, a.s. (subsidiary)	10.115.725	2.295.488
JTSEC Financing III a.s. (subsidiary)	871.502	-
JTPEG Investments Fund I SICAV, a.s. (related party)	967.207	-
	16.602.288	4.691.270

J&T SECURITIES MANAGEMENT PLC

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

29. Related party transactions (continued)

29.4 Services received

	2024	2023
	€	€
Bridge Global Solutions Services Limited (related party)	237.771	213.202
JTPEG Advisory CZ, a.s. (related party)	786.712	534.249
BGS Director I Limited (Director)	60.000	-
	1.084.483	747.451

29.5 Receivables from related parties

	2024	2023
	€	€
<u>Name</u>		
Brandoven Limited (related)	44.927.447	-
<u>Nature of transactions</u>	44.927.447	-
Reverse repurchase agreements		

29.6 Loans to related parties (Note 19)

	2024	2023
	€	€
J&T Private Equity B.V.	214.327.955	168.150.245
	214.327.955	168.150.245

29.7 Payables to related parties (Note 26)

	2024	2023
	€	€
<u>Name</u>		
Bridge Global Solutions Services Limited (related party)	79.411	62.609
JTPEG Advisory CZ, a.s. (related party)	-	8.931
BGS Director I Limited (Director)	11.900	11.900
JTSEC Financing III a.s. (subsidiary)	182.816	-
	274.127	83.440

29.8 Loans from related parties (Note 24)

	2024	2023
	€	€
J&T Private Equity B.V.	18.487.284	76.888.848
JTSEC Financing I a.s. (subsidiary)	30.212.385	30.250.708
JTSEC CZ Financing I, a.s. (subsidiary)	121.722.739	123.890.952
JTSEC Financing III a.s. (subsidiary)	112.150.760	-
	282.573.168	231.030.508

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

29. Related party transactions (continued)

29.9 Guarantees provided to related parties

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

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

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

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

To secure the Secured Debts, the Company establishes a security interest to the benefit of the Pledgee and pledges:

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

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

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

29. Related party transactions (continued)

(vi) On 24 September 2024, the Company ("Guarantor") and JTSEC Financing III a.s. ("Issuer") entered into a "Guarantee Agreement" in relation to the bonds of JTSEC Financing III a.s. to be issued under the bond issuance program of up to €200.000.000. The Company shall secure the Issuer's obligations from all the bonds issued under the program by a guarantee, and which is provided in favor of all bondholders. The Guarantor hereby unconditionally and irrevocably undertakes to each bondholder that if the Issuer fails to fulfil any secured obligation when it comes due and such failure is not remedied within 10 days, the Guarantor shall, upon written request of the bondholder, pay such amount instead of the Issuer.

(vii) On 22 November 2024, the Company ("Guarantor") and JTSEC CZ Financing 2, a.s. ("Issuer") entered into a "Guarantee Agreement" in relation to the bonds of JTSEC CZ Financing 2, a.s. to be issued under the bond issuance program of up to CZK 3.000.000.000. For the purposes of this guarantee, the secured debts should be the debts of the Issuer against the holders of the bonds whether existing as at the date of this guarantee or arising in the future at any time up to and including December 2035. The Guarantor provides the guarantee until the full repayment and discharge of the secured debts. The liability of the Guarantor is limited to the total maximum amount of CZK 4.500.000.000.

During 2024, no outflows occurred relating to the above Agreements.

30. Significant events after the end of the financial year

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

On 2 January 2025, the Company purchased 100% share in JTPEG Financing SK II, a. s., company with its seat in Slovak republic, that was in February 2025 renamed to JTSEC Financing IV a.s. The purchase price was agreed at €62.890 and shall be paid by 28 February 2025 at the latest.

On 2 January 2025, the Company purchased 100% share in JTPEG CZ Investment 5, a.s., company with its seat in Czech Republic, that was in February 2025 renamed to JTSEC CZ Financing 3, a.s. The purchase price was agreed at CZK 1.713.000 and shall be paid by 28 February 2025 at the latest.

On 14 February 2025, the Company ("Lender") entered into a Senior Term Intra-Group Facility Agreement with J&T Private Equity B.V. ("Borrower") for the provision of a loan up to the amount of CZK 1.002.250.000 which shall bear interest at the rate of 7,21% per annum and shall be payable until 12 February 2030.

On 14 February 2025, the Company ("Borrower") entered into a Senior Term Intra-Group Facility Agreement with JTSEC CZ Financing 2, a.s. ("Lender") for the provision of a loan up to the amount of CZK 1.002.250.000 which shall bear interest at the rate of 6,96% per annum and shall be payable until 12 February 2030.

On 21 February 2025, the Company ("Borrower") entered into a Senior Term Intra-Group Facility Agreement with JTSEC CZ Financing 2, a.s. ("Lender") for the provision of a loan up to the amount of CZK 1.002.250.000 which shall bear interest at the rate of 6,71% per annum and shall be payable until 19 February 2030.

On 21 February 2025, the Company ("Lender") entered into a Senior Term Intra-Group Facility Agreement with J&T Private Equity B.V. ("Borrower") for the provision of a loan up to the amount of CZK 1.002.250.000 which shall bear interest at the rate of 6,96% per annum and shall be payable until 19 February 2030.

On 28 February 2025, the Company ("Lender") entered into a Senior Term Intra-Group Facility Agreement with J&T Private Equity B.V. ("Borrower") for the provision of a loan up to the amount of CZK 1.002.250.000 which shall bear interest at the rate of 6,71% per annum and shall be payable until 26 February 2030.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year ended 31 December 2024

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

On 28 February 2025, the Company ("Lender") entered into a Senior Term Intra-Group Facility Agreement with J&T Private Equity B.V. ("Borrower") for the provision of a loan up to the amount of €51.000.000 which shall bear interest at the following rates:

- (i) for the first interest period a rate of 5,98% per annum;
- (ii) for the second interest period a rate of 5,92% per annum;
- (iii) for the third interest period a rate of 5,91% per annum;
- (iv) for the fourth interest period a rate of 5,90% per annum and;
- (v) for the fifth interest period a rate of 6,12% per annum.

The loan shall be payable until 26 February 2030.

On 28 February 2025, the Company ("Borrower") entered into a Senior Term Intra-Group Facility Agreement with JTSEC Financing III a.s. ("Lender") for the provision of a loan up to the amount of €51.000.000 which shall bear interest at the following rates:

- (i) for the first interest period a rate of 5,73% per annum;
- (ii) for the second interest period a rate of 5,67% per annum;
- (iii) for the third interest period a rate of 5,66% per annum;
- (iv) for the fourth interest period a rate of 5,65% per annum and;
- (v) for the fifth interest period a rate of 5,87% per annum.

The loan shall be payable until 26 February 2030.

On 28 February 2025, the Company ("Borrower") entered into a Senior Term Intra-Group Facility Agreement with JTSEC CZ Financing 2, a.s. ("Lender") for the provision of a loan up to the amount of CZK 1.002.250.000 which shall bear interest at the rate of 6,46% per annum and shall be payable until 26 February 2030.

On 19 March 2025, the Company as the sole shareholder resolved to deposit funds in the amount of €50.000 into J&T Arch Bond I., a.s. capital fund from contributions, not later than on 31 March 2025.

On 21 March 2025, the Company ("Guarantor") and JTSEC Financing IV a.s. ("Issuer") entered into a Guarantee Agreement in relation to the bonds of JTSEC Financing IV a.s. to be issued under the bond issuance programme of up to €200.000.000. The Company secures the Issuer's obligations from all the bonds issued under the programme by a guarantee which is provided in favour of all bondholders. The Company hereby undertakes to each bondholder that if the Issuer fails to fulfil any secured obligation when it comes due and such failure is not remedied within 10 days, the Company shall upon written request of the bondholder, pay such amount unconditionally and without any delay.

On 27 March 2025, the Company entered into a Subscription Agreement with J&T Private Equity Group Limited in respect of the issue by the Company of 300.000 new ordinary shares of nominal value of €1 each at a premium of €299.700.000. The shareholder has agreed to pay the total amount of €300.000.000 as the consideration for the shares by 31 March 2025.

Depending on the duration of the conflict between Russia and Ukraine, the Israel-Gaza conflict and continued negative impact on economic activity, the Company might experience further negative results, and liquidity restraints and incur additional impairments on its assets in 2025 which relate to new developments that occurred after the reporting period.

Independent auditor's report on pages 4 to 6

J&T SECURITIES MANAGEMENT PLC

DETAILED INCOME STATEMENT

Year ended 31 December 2024

	Page	2024 €	2023 €
Revenue			
Dividend income		2.591.161	12.878.889
Interest income		2.064.443	1.285.613
Loan interest income		9.845.736	7.746.578
Net gain on trading in financial instruments		65.592.121	33.419.328
Net fair value gains on financial assets at fair value through profit or loss		67.885.950	34.277.744
Other operating income			
Profit from sale of financial assets at fair value through other comprehensive income		17.425.437	333.652
Reversal of impairment - other guarantees		33.750	-
Reversal of impairment - debt investments at fair value through other comprehensive income		5.384	990.029
Reversal of impairment - loans to related parties		905.335	-
Reversal of impairment - trade receivables		-	11.489
Interest income		27.111	6.706
Exchange profit		24.798.936	19.298.494
		191.175.364	110.248.522
Operating expenses			
Administration expenses	64	(1.427.417)	(4.847.345)
		189.747.947	105.401.177
Other operating expenses			
Broker commission and charges		(692.096)	(424.771)
Impairment charge - other guarantees		(847.036)	(463.609)
Impairment charge - debt investments at fair value through other comprehensive income		(383.507)	(2.183)
Impairment charge - loans to related parties		(1.694.767)	(1.842.531)
Impairment charge - trade receivables		(12.564)	(487)
Impairment charge - bank deposits		(6.512)	(481)
Loss from sale of financial assets at fair value through other comprehensive income		(16.858.362)	(639.157)
Loss from sales of financial assets at fair value through profit or loss		(20.137.258)	-
Fair value losses on financial assets at fair value through profit or loss		(58.833.171)	(3.447.051)
Impairment charge - investments in subsidiaries		(5.050.896)	-
Operating profit		85.231.778	98.580.907
Finance costs	65	(59.197.520)	(43.243.011)
Net profit for the year before tax		26.034.258	55.337.896

J&T SECURITIES MANAGEMENT PLC

OTHER OPERATING EXPENSES

Year ended 31 December 2024

	2024 €	2023 €
Administration expenses		
Directors' remuneration	5.200	5.200
Staff salaries	3.250	3.250
Social security costs	389	389
Social cohesion fund	169	169
Municipality taxes	150	150
Annual levy	-	350
Insurance	744	701
Repairs and maintenance	3.156	329.329
Sundry expenses	67	-
Certification and legalisation expenses	10.365	10.055
Auditors' remuneration for the statutory audit of annual accounts	56.000	97.000
Auditors' remuneration for other assurance services	35.000	-
Auditors' remuneration - prior years	41.299	6.460
Accounting fees	61.880	61.880
Other professional fees	227.341	227.459
Translation fees	1.564	10.756
Directors' fees	71.400	71.400
Fines	717	-
Travelling	-	392
Legal and professional	3.354	21.436
Mediatory services	100.032	9.735
Other consultancy services	697.390	309.150
Administration and fees for bonds	107.950	3.682.084
	1.427.417	4.847.345

J&T SECURITIES MANAGEMENT PLC

FINANCE COSTS

Year ended 31 December 2024

	2024 €	2023 €
Finance costs		
Interest expense		
Loan interest	16.602.288	4.691.270
Bank overdraft interest	10.287.822	3.629.993
Loan interest on REPO agreements	3.877.606	5.111.023
Debenture interest	348.920	6.764.361
Interest on taxes	254	-
Sundry finance expenses		
Bank charges	87.526	278.611
Net foreign exchange losses		
Realised foreign exchange loss	2.270.804	5.737.450
Unrealised foreign exchange loss	25.722.300	17.030.303
	<u>59.197.520</u>	<u>43.243.011</u>