

# **HALF YEAR REPORT**

**EMMA FINANCE CZ a.s.**

**FOR THE PERIOD FROM 28 March 2025 to 30 June 2025**

Date: 30 September 2025

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Annex 1 — Financial statements for period from 28 March to 30 June 2025

In accordance with the provisions of Section 119 of Act No. 256/2004 Coll., on Capital Market Undertakings, as amended (hereinafter referred to as the “**CMUA**”), the Company is obliged to create a half year financial report for period from 28 March 2025 till 30 June 2025.

## **1. Company characteristics**

**EMMA FINANCE CZ a.s.**, with its registered seat at Na Zátorce 672/24, 160 00 Prague 6, Company ID: 231 17 311, entered in the Commercial Register kept by the Municipal Court in Prague under file number B 29611 (hereinafter referred to as the “**Company**”), with its registered office in the Czech Republic. The Company was established on 28 March 2025 for the purpose of issuing publicly traded bonds and subsequently providing intra-group financing.

The Company is primarily established for the purpose of obtaining external financing for the business activities of the EMMA ALPHA HOLDING LTD group (hereinafter referred to as the "Group") as a whole. For this reason, it is significantly dependent on the return on loans and borrowings it provides to other companies of the the Group and the interest thereon. If the Group as a whole were not to achieve results sufficient at least to service its debt, this would have a significant impact on the Company's income and its ability to meet its obligations. The Company does not usually carry out any other activities beyond these activities.

### **Statutory body**

The statutory body of the Company is the board of directors. The only member of the board of directors is Ing. Radka Blažková.

### **Registered capital, share of the Company and Sole shareholder**

The Company's registered capital of CZK 2,000,000 (in words: two million Czech crowns) represents a 100% share in the Company, which is owned by the Sole shareholder of the Company, EMMA ALPHA HOLDING LTD, Themistokli Dervi 48, Athienitis Centennial Building, Republic of Cyprus (hereinafter referred to as the “**Sole shareholder**” “**Guarantor**”). EMMA ALPHA HOLDING LTD is controlled by MEF HOLDINGS LIMITED. The ultimate beneficial owner is Mr. Jiří Šmejč.

For period 28 March 2025 till 30 June 2025, the Company ended with a loss of TCZK 335.

## **2. Development in 2025**

### **2.1 Overview of significant events**

The Company continued to fulfill the purpose for which it was established on 28 March 2025, relating to the issuance of publicly traded bonds.

The Company is a public interest entity in accordance with Section 1a in connection with Section 19a of the Accounting Act .

### **2.2 Business and economic activity**

There were no significant changes in the Company's operating costs during relevant period.

## **3. Significant events after the balance sheet date**

After the balance sheet date the Company issued bonds (see chapter "Subsequent events").

## **4. Expected development of the Company's activities in second half of 2025**

In the following period, the Company will continue its current activities in accordance with its registered business purpose and the purpose for which it was established – financing of the Group. The Company's results will be influenced primarily by income in the form of interest on the loan provided and expenses related to the bonds issued.

## **5. Company's research and development activities**

In period from 28 March till 30 June 2025, the Company did not carry out any activities in the field of science and research.

## **6. Acquisition of own shares**

The Company did not acquire its own shares.

## **7. Company's activities within environmental protection and labor relations**

### **7.1 Environmental protection**

The Company complies with all legal regulations in the field of environmental protection and adheres to applicable legislation.

### **7.2 Labor relations**

As of 30 June 2025, the Company had no employees.

## **8. Branch or other business establishment abroad**

The Company does not have an organizational branch or other part of a business establishment abroad.

## 9. Main risks and uncertainties

Below, the Company's management list the main risks and uncertainties that the Company may face:

### Risk of the Company and the Guarantor

The Company is a financing company with limited operational history that was established for the purpose of issuing bonds and subsequently providing intra-group financing. The Company's ability to meet its debt obligations, including bonds, depends primarily on the operating results and financial condition of the Guarantor and its Group companies, as the only source of its income will be the repayment by the other Group companies of the loans provided by the Company.

### Risk related to the Group

The Sole shareholder is dependent on the success of the business of the companies that are directly or indirectly controlled. The Group may be unable to successfully implement its business strategy and capital expenditure plans. In the future the Group may engage in material acquisitions and there is a risk that it may not be able to successfully integrate and manage the acquired entities and that the business may fail to realise the anticipated synergies, growth opportunities and other expected benefits or may experience unanticipated costs from these additions or acquisitions. Further risks relates to credit risks (if debtors fail to fulfil their payment obligation), liquidity risk (the Group will not have sufficient resources available to cover its debts), interest rate risk (increase of financial costs due to more expensive external capital) and Group's indebtedness.

### Risk related to the Group's business segments

Each Company's segment has its specific risks. Regulatory risk, risk of changes to or potential loss of licences to operate the Group's business activities relates mainly to energy business, gaming and sports betting segment and distribution of medical equipment. Labour-related risks relates to logistics segment that is dependent on sufficient numbers of employees.

### Risk related to the existence of the security agent

The right arising from the security will be exercised by the security agent, further risk relates to appointment or replacement of the security agent.

### Risk related to the notes

Like any other monetary debt, the Notes are exposed to the risk of non-payment. Under certain circumstances, the relevant issuer may be unable to pay interest on the Notes, and the value for the Noteholders upon redemption may be lower than their initial investment, under certain circumstances, the Notes could even be worthless.

## **10. Risk management and corporate governance statement**

### Information pursuant to Section 118(4)(a), (b) and (c) of the CMUA

The Company was established for the purpose of issuing bonds and subsequently providing intra-group financing. The Company has not formally adhered to any corporate governance code, but fully complies with the standards of the financial group EMMA ALPHA HOLDING LTD.

The Company also complies with all provisions of the Czech legal order that apply to it, in particular Act No. 90/2012 Coll., on Business Corporations (hereinafter referred to as the " **Companies Act** "), or the CMUA.

The Company monitors and evaluates the risks it is exposed to and takes steps to minimize them.

### Information pursuant to Section 118(4)(d) of the CMUA

The internal control system includes control mechanisms created within the Company. It is a process implemented and fully managed by the Company's director. It is designed to enable the assessment, regular monitoring and minimization of risks to which the Company is exposed. The internal control system is designed to provide the Company's management with reasonable assurance of the functionality, efficiency and effectiveness of operations, the reliability of internal management and control and full compliance with applicable laws and regulations.

The Company's director ensure proper maintenance of prescribed records and accounting in accordance with the legal regulations of the Czech Republic.

### Information pursuant to Section 118(4)(e) of the CMUA

The Company's director declares that this requirement does not apply to the preparation of the Company's half year financial report for period from 28 March 2025 till 30 June 2025, as the Company did not issue shares or similar securities representing a stake in the Company, but bonds.

In addition, the director states that all necessary information regarding the issued bonds can be found on the Company's website below, where you can find, for example, information on the bond issue conditions, the bond prospectus or a presentation about the Group.

<https://www.emmacapital.cz/obligatory-disclosures>

## 10. Risk management and corporate governance statement (continued)

### Information pursuant to Section 118(4)(f) and (g) of the CMUA

#### GENERAL MEETING

The general Meeting is the supreme corporate body of the Company. The powers of the general meeting include decisions and facts granted to it, in particular, by Section 421(2) of the Companies Act and the Company's articles of association.

The powers of the general meeting include in particular:

- a) decisions to amend the articles of association, where so provided in the articles of association or by law, unless it is an amendment resulting from an increase of the registered capital by a duly authorised board of directors or an amendment occurring on the basis of other legal facts,
- b) decisions to change the amount of registered capital and to authorise the board of directors to increase the registered capital,
- c) decisions to allow the possibility to set off a pecuniary receivable towards the Company against a receivable from the payment of the issue price,
- d) decisions to issue convertible or preferential bonds,
- e) appointment and recall of members of the board of directors and approval of their executive service agreement and other services pursuant to Section 61 of the Companies Act,
- f) appointment and recall of substitute members of the board of directors, with the proviso that if more than one substitute is appointed, the general meeting must determine the order in which the substitutes will take up the vacant position of a member of the board of directors,
- g) appointment and recall of members of the supervisory body and approval of their executive service agreement and other services pursuant to Section 61 of the Companies Act,
- h) appointment and recall of substitute members of the supervisory body, with the proviso that if more than one substitute is appointed, the general meeting must determine the order in which the substitutes will take up the vacant position of a member of the board of directors,
- i) approval of ordinary, extraordinary or consolidated financial statements as well as, where their preparation is required under another legal regulation, of interim financial statements,
- j) decisions to distribute profit or the Company's other own resources, or to cover the loss,
- k) decisions to file an application to have the Company's participating securities admitted for trading on a European regulated market or to exclude such securities from trading on a European regulated market,
- l) decisions to dissolve the Company with liquidation,
- m) appointment and recall of a liquidator and approval of their executive service agreement and other services pursuant to Section 61 of the Companies Act,
- n) approval of the final report on the course of liquidation and the proposed distribution of the liquidation balance,
- o) approval of a transfer or a pledge of an enterprise or such a part thereof that would imply a significant change of the existing structure of the enterprise or a significant change in the objects or activity of the Company,
- p) decisions to assume the effects of actions taken on behalf of the Company before its incorporation,
- q) approval of a silent partnership agreement and other agreements establishing the right to a share in the profits or other own resources of the Company,

## 10. Risk management and corporate governance statement (continued)

- r) decision on the transformation of the Company, unless the law governing the transformation of commercial companies and cooperatives provides otherwise,
- s) any other decisions falling under the powers of the general meeting by virtue of law or of the articles of association.

The Company has a Sole shareholder who exercises the powers of the general meeting to the extent specified above.

The general meeting is capable of quorum if the shareholders who hold shares with a nominal value exceeding 40% (forty percent) of the Company's share capital are present. The general meeting decides at least by a simple majority of the votes of the shareholders present, unless the articles of association require a higher number of votes. The Sole shareholder owns 4 shares of the Company. One share with a nominal value of CZK 500,000 (in words: five hundred thousand Czech crowns) carries one vote.

The Sole shareholder of the Company, who makes decisions within the scope of the general meeting, is described in Part 1 of this report, "*Company characteristics*".

### BOARD OF DIRECTORS

The statutory body of the Company is the board of directors, which is responsible for the business management of the Company. There is one director in office acting on behalf of the Company.

The board of directors shall ensure the books are properly kept, and submit ordinary, extraordinary, consolidated and, where appropriate, interim financial statements and a proposal on profit or other own resources distribution or coverage of loss to the general meeting for approval.

The board of directors convenes the general meeting and prepares its agenda and fulfills other obligations stipulated by law.

The directors are elected and dismissed by the general meeting or the Sole shareholder of the Company. The powers of the directors include making decisions on all issues of the Company that are reserved for the directors according to the Company's articles of association, legal regulations or decisions of the general meeting or the Sole shareholder of the Company, especially the business management of the Company.

The Company has no established principles for the remuneration of its directors. The directors did not receive any cash or non-cash income from the Company in relevant period of 2025.

A description of the director is provided in Part 1 of this report, "*Company characteristics*".

#### Information pursuant to Section 118(4)(h), (i) and (j) of the Capital Market Undertakings Act

The Company's director declares that these requirements do not apply to the preparation of the Company's annual financial report for 2025, since the Company does not have an annual total net turnover exceeding CZK 1,000,000,000 as of the balance sheet date, nor does the average number of employees during the accounting period exceed 250. Thus, the Company cannot exceed at least 2 thresholds pursuant to Section 1b, Paragraph 3 of the Accounting Act as of the balance sheet date.

#### Information pursuant to Section 118(5) of the Capital Market Undertakings Act

The Company's director declares that this requirement does not apply to the preparation of the Company's annual financial report for 2025, as the Company is not an issuer pursuant to Section 118(1)(a) of the Capital Market Undertakings Act.

## **10. Risk management and corporate governance statement (continued)**

### **SUPERVISORY BOARD**

The supervisory board is the supreme controlling body of the Company. It supervises the exercise of powers of the board of directors and the implementation of the Company's business activities. The supervisory board has three members. The functional period of supervisory board members is five years. Members of the supervisory board are elected and dismissed by the general meeting. The chairman of the supervisory board is elected and recalled by the members of the supervisory board from among themselves. The supervisory board reviews ordinary individual financial statements, extraordinary individual financial statements, consolidated financial statements and proposals for profit distribution or loss coverage and is obliged to submit a report on the results of the review to the general meeting.

## **11. Related party transaction**

In the period from 28 March till 30 June 2025, transactions were carried out with related parties, which are specified in more detail in Annex No.1, financial statements, chapter 6. Related parties. All transactions with related parties were based on terms identical to transactions with unrelated parties. The balance outstanding as of the balance sheet date are not secured in any way and are expected to be settled in the form of cash payments.

## **12. Statement of the responsible persons of the issuer (Company)**

Undersigned director of the Company declares that, to the best of her knowledge, the financial statements, which form Annex No. 1 to this report and which have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and results of operations of the issuer (the Company).

The director further declares that, to the best of her knowledge, the half-year report in accordance with the Accounting Act, which is part of this financial report, contains a true and fair view of the development and results of the Company and the Company's position, together with a description of the main risks and uncertainties it faces or may face.

For **EMMA FINANCE CZ a.s.**

In Prague on September 30, 2025



Ing. Radka Blažková

Member of the Board of Directors

**EMMA FINANCE CZ a.s.**

**Financial statements for the period**

**from 28 March 2025 to 30 June 2025**

**(unaudited)**

In accordance with International Financial Reporting Standards as adopted by the European Union

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2025

	Note	30 June 2025 TCZK	28 March 2025 TCZK
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	1,799	2,000
Prepayments	5.2	370	-
<b>Total current assets</b>		<b>2,169</b>	<b>2,000</b>
<b>Total assets</b>		<b>2,169</b>	<b>2,000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5.3	2,000	2,000
Accumulated losses		(335)	-
<b>Total equity</b>		<b>1,665</b>	<b>2,000</b>
<b>Current liabilities</b>			
Trade and other payables	5.4	504	-
<b>Total current liabilities</b>		<b>504</b>	<b>-</b>
<b>Total liabilities</b>		<b>504</b>	<b>-</b>
<b>Total equity and liabilities</b>		<b>2,169</b>	<b>2,000</b>

The notes on pages 1 to 12 form an integral part of these financial statements.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

for the period from 28 March 2025 to 30 June 2025

	Note	28 March - 30 June 2025 TCZK
Administration and other expenses	5.5	<u>(328)</u>
<b>Operating loss</b>		<u><b>(328)</b></u>
Finance expenses	5.6	<u>(7)</u>
<b>Loss before tax</b>		<b>(335)</b>
Income tax expense	5.7	-
<b>Net loss for the period</b>		<b>(335)</b>
<b>Other comprehensive income</b>		<u>-</u>
<b>Total comprehensive loss for the period</b>		<u><b>(335)</b></u>

The notes on pages 1 to 12 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**

	Note	Share capital TCZK	Accumulated losses TCZK	Total TCZK
<b>Balance at 28 March 2025</b>	5.3	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net loss for the period		-	(335)	(335)
<b>Balance at 30 June 2025</b>		<u>2,000</u>	<u>(335)</u>	<u>1,665</u>

The notes on pages 1 to 12 form an integral part of these financial statements.

**CASH FLOW STATEMENT**

for the period from 28 March to 30 June 2025

	Note	28 March - 30 June 2025 TCZK
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax		(335)
Adjustments for:		
Other finance expenses		7
		<u>(328)</u>
<b>Changes in working capital:</b>		
Increase in trade and other receivables		(370)
increase in trade and other payables		504
		<u>(194)</u>
<b>Cash used in operations</b>		<u>(194)</u>
<b>Net cash used in operating activities</b>		<u>(194)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Other finance expenses		(7)
		<u>(7)</u>
<b>Net cash used in financing activities</b>		<u>(7)</u>
<b>Net increase in cash and cash equivalents</b>		<u>(201)</u>
Cash and cash equivalents at beginning of the period		<u>2,000</u>
<b>Cash and cash equivalents at end of the period</b>	5.1	<u><u>1,799</u></u>

The notes on pages 1 to 12 form an integral part of these financial statements.

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## **1. General information about the Company**

The company EMMA FINANCE CZ a.s., Company ID: 23117311, (hereinafter referred to as the "Company"), with its registered office at Na Zátorce 672/24, Bubeneč, 160 00 Prague 6, was registered in the Commercial Register in the Czech Republic on March 28, 2025.

The sole and therefore 100% shareholder of the Company is EMMA ALPHA HOLDING LTD with its registered office at 1066 Nicosia, Themistokli Dervi 48, Athienitis Centennial Building, 3 rd floor, Republic of Cyprus, registration number HE 313347 registered in the Cyprus Commercial Register.

The Company is primarily established for the purpose of obtaining external financing for the business activities of the EMMA ALPHA HOLDING LTD group (hereinafter referred to as the "Group") as a whole. The Company does not usually carry out any other activities beyond these activities.

### **Business/activity based on Commercial register**

The Company's business activities are:

- Rental of real estate, apartments and non-residential premises

### **The Company's activities are:**

- Management of own assets;
- Holding shares and participations in domestic and foreign companies, enterprises and other entities engaged in business in various fields.

The Company has no employees, all activities are carried out through contractual relationships.

### **Statutory body**

The Company is a joint-stock company established and existing under the laws of the Czech Republic.

### **Directors**

Ing. Radka Blažková (appointed 28 March 2025)

### **Supervisory board**

Ing. Mgr. Pavel Horák (appointed 28 March 2025)

JUDr. Marek Doseděl (appointed 28 March 2025)

Mgr. Radka Hudcová (appointed 28 March 2025)

## 2. Basis for preparation of financial statements

### 2.1 Declaration of conformity

The financial statements and supplementary information have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

These financial statements are unconsolidated.

These financial statements were approved by the director of the Company on 30 September 2025.

These financial statements are prepared on an accrual basis, whereby transactions and other events are recognized when they occur and recorded in the financial statements for the period to which they relate, assuming the entity continues as a "going concern concern".

The consolidated financial statements of the entire group are prepared by EMMA ALPHA HOLDING LTD, with registered office at 1066 Nicosia, Themistokli Dervi 48, Athienitis Centennial Building, 3rd floor, Republic of Cyprus.

The financial year is the same as the calendar year. The financial statements were prepared for the period from 28 March 2025 to 30 June 2025. The reporting period is the first accounting period for the Company, therefore we do not present a comparative period. The statement of financial position as of 28 March 2025 represents opening balances.

Annual and semi-annual reports are published in electronic form on the Company's website ([www.emmacapital.cz](http://www.emmacapital.cz)), section "Obligatory disclosures".

### 2.2 Valuation method

The financial statements are based on the historical cost principle, except where IFRS requires a different method of measurement. Material accounting policies and procedures are described in Chapter 3.

### 2.3 Functional currency and presentation currency

The financial statements are presented in Czech crowns ("CZK"), which is also the functional currency of the Company. All financial information in these financial statements has been rounded to the nearest thousand (TCZK).

### 2.4 Use of accounting estimates and assumptions

The preparation of the financial statements in accordance with IFRSs requires the use of accounting estimates that affect the reported amounts of assets, liabilities, income and expenses. It also requires the Company's management to make assumptions based on its own judgment in applying accounting policies. As a result, actual results may differ from those estimates.

Estimates and assumptions on which estimates are based are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the current period and future periods.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability no significant estimates and assumptions were applied.

## 2. Basis for preparation of financial statements (continued)

### 2.5 Determination of fair value

Fair value is defined as the price that would be received to sell an asset or paid to assume a liability in an orderly transaction between market participants at the measurement date under normal market conditions, regardless of whether the price is directly observable or determined using an estimate based on valuation techniques. Fair values are determined based on quoted market prices, discounted cash flows or valuation techniques.

Fair values were determined for measurement and/or disclosure purposes using the methods set out below.

#### *Fair value hierarchy*

The Group uses the following hierarchy for determining and reporting the fair value of financial instruments according to valuation techniques:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities,
- **Level 2:** other procedures based on inputs that have a significant effect on the reported fair value and that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices),
- **Level 3:** procedures based on inputs that have a significant impact on the reported fair value and those inputs are not based on observable market data.

The following table shows the fair value of financial instruments measured at amortized cost:

	Book value 30 June 2025 TCZK	Fair value 30 June 2025 TCZK	Fair value hierarchy
Trade and other receivables	370	370	Level 3
Trade and other payables	504	504	Level 3

The fair value of financial instruments classified within Level 3 of the fair value hierarchy is determined by applying the discounting technique to estimated future cash flows. Discount rates are used to discount, taking into account risk-free rates and risk premiums appropriate to the given counterparty.

### 2.6 Application of new and amended IFRS approved for use in the EU

#### **New or amended standards that are effective and have been approved by the European Union**

- *IAS 1 Preparation and Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current (amendment).*
- *IFRS 16 Leases: Lease Liability in Sale and Leaseback Operations (Amendment).*
- *IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures about Financial Instruments - Supplier Financing Arrangements (Amendments)*

Neither the new nor the amended IFRS standards have a material impact on the accounting methods applied by the Company.

#### **New standards, interpretations and amendments approved by the EU but not yet effective**

The following new standards, amendments and interpretations were issued but were not effective for the period ended June 30, 2025 and were not applied in preparing these unconsolidated financial statements.

## 2. Basis for preparation of financial statements (continued)

### 2.6 Application of new and amended IFRS approved for use in the EU (continued)

Effective date January 1, 2026 :

- *IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Convertibility (Amendment)*

Neither the new nor the amended IFRS standards have a material impact on the accounting methods applied by the Company.

#### **New or amended standards that are not yet binding and have not yet been approved by the EU**

- *IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (amendments).*  
In May 2024, the IASB issued amendments to Classification and Measurement of Financial Instruments, amending IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, which will be effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.
- *IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Contracts for Electricity from Renewable Sources (amendments).*  
In December 2024, the IASB issued a targeted amendment to better account for contracts related to electricity dependent on renewable sources, which amended IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures and will be effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.
- *IFRS 18 Presentation and Disclosure in Financial Statements.*  
In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements, which replaces IAS 1 – Preparation and Disclosure of Financial Statements and will be mandatory for annual periods beginning on or after 1 January 2027, with earlier application permitted.
- *IFRS 19 Non-Public Subsidiaries: Disclosures.*  
In May 2024, the IASB issued IFRS 19 – Non-Public Subsidiaries: Disclosures, which will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.
- *Annual Improvements to IFRS Accounting Standards – Volume 11.*  
In July 2024, the IASB issued Annual Improvements to IFRSs – Volume 11. An entity shall apply these amendments for annual periods beginning on or after 1 January 2026. Earlier application is permitted.
- *IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or contribution of assets between an investor and its associate or joint venture.*  
In December 2015, the IASB postponed the effective date of the amendments indefinitely, its determination will depend on the outcome of a research project dedicated to the equivalence method.

Neither the new nor the amended IFRS standards have a material impact on the accounting methods applied by the Company.

The Company does not expect to apply any of the above standards, revisions or amendments before their effective date.

### **3. Material accounting policies and procedures**

#### **3.1 Conversion of data in foreign currencies to Czech currency**

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

At the end of the accounting period, assets and liabilities representing monetary items in foreign currencies are translated into Czech crowns at the exchange rate announced by the Czech National Bank valid on that date. Foreign currency monetary units are considered assets and liabilities representing the right to receive (or the obligation to pay) a fixed or determinable number of units of foreign currency. Realized and unrealized gains and losses from the translation of foreign currency assets and liabilities into Czech crowns are reported in the statement of profit or loss "Other net financial expenses".

Assets and liabilities that do not represent monetary units and equity items are translated at the historical rate.

Exchange rate differences arising from the translation of foreign currencies are reported in the statement of profit or loss and other comprehensive income.

#### **3.2 Cash and cash equivalents**

The cash flow statement was prepared using the indirect method. Cash equivalents represent short-term liquid assets that can be easily and promptly converted into a known amount of cash and that the Company can freely dispose of.

#### **3.3 Equity**

The Company's share capital is reported at the amount entered in the Commercial Register of the Municipal Court. The issued share capital of the Company is fully paid up.

#### **3.4 Income tax**

Income tax expense is calculated using the applicable tax rate of 21% on accounting profit increased or decreased by permanently or temporarily tax-deductible expenses and non-taxable income. Items reducing the tax base, deductible items of income tax credits are also taken into account. Income tax is reported in the statement of profit or loss

Current income tax is calculated in accordance with the Czech Accounting Standards from profit adjusted according to the Czech Act on Income Tax, as amended.

#### **3.5 Reporting interest income and expenses**

Interest income and expenses are recognized in the statement of profit or loss when incurred on a time and material basis in the line "Financial revenues" and "Financial expense".

### 3. Material accounting policies and procedures (continued)

#### 3.6 Financial instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the financial instruments.

##### 3.6.1. Classification and valuation of financial instruments

The Company classifies financial assets and financial liabilities as measured at amortized cost.

Financial assets may be measured at amortized cost if they are held within a model whose objective is to hold financial assets to collect contractual cash flows and the cash flows are solely payments of principal and interest on the principal.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for trading, it is a derivative or it is designed as such on initial recognition.

Financial instruments measured at amortized cost are reported as current unless the Company has an unconditional right to defer settlement of the asset or liability for at least 12 months after the end of the reporting period.

##### 3.6.2. Impairment loss on financial assets

The Company recognises loss allowance for Expected Credit Losses (“ECL”) on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECL. Loss allowances for trade receivables and loans receivables always measured at an amount equal to lifetime ECL.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial assets.

#### 4. Financial risk management

The main task of the Company's risk management is to identify risks, determine the method of risk measurement, quantify and analyze risk exposure.

Financial risks considered assuming the full operation of the Company:

##### 4.1 Credit risk

Credit risk depends on the extent to which a counterparty will be able to meet its obligations to which it has committed itself. This risk arises primarily in the area of loans.

As of June 30, 2025, the Company had no financial assets past due and the Company does not record any financial assets for which an allowance has been created.

##### Cash and cash equivalents

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

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 28 March 2025 and 30 June 2025:

External credit rating – Moody's	30 June 2025 TCZK	28 March 2025 TCZK
Non-rated	1,799	2,000

The ECL on current account is considered to be approximate to 0, unless the bank is subject to capital controls.

##### 4.2 Liquidity risk

Liquidity risk is measured by the ability to convert its assets into cash to cover all its maturing liabilities, at minimal cost. The need for liquidity is continuously monitored and its increased need is reported in advance in order to secure the necessary resources.

##### 4.3 Foreign exchange risk

Foreign currency risk is the risk that the fair value or cash flows of financial instruments will fluctuate because of 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 functional currency. The Company regularly monitors risks associated with foreign currency exchange rate fluctuations, with the majority of transactions being carried out in the Company's functional currency, Czech koruna (CZK).

##### 4.4 Market risk

Market risk is the risk that changes in market prices, such as interest rates or foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

#### **4. Financial risk management (continued)**

##### **4.5 Capital management**

The Company manages its capital to ensure that it will be able to continue as a going concern, while increasing the return to owners through strive for improving the debt-to-equity ratio. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to shareholders.

The management do not provide a quantification of any risks described above, as consider the no substantial risks exist due to the specific of its activity as holding Company, with small operational activity.

## 5. Explanatory Information

### 5.1 Cash and cash equivalents

	30 June 2025	28 March 2025
	TCZK	TCZK
Cash and cash equivalents	1,799	2,000

### 5.2 Prepaid expenses

	30 June 2025	28 March 2025
	TCZK	TCZK
Prepaid expenses	370	-

Prepaid expenses represents mainly service fee related to planned issue of bonds.

### 5.3 Share capital

As at 30 June 2025, the Company's authorised and issued share capital of TCZK 2,000 was composed of 4 ordinary shares with a nominal value of CZK 500,000 each. The share capital was fully paid.

### 5.4 Trade and other payables

	30 June 2025	28 March 2025
	TCZK	TCZK
Trade and other payables	504	-

### 5.5 Administrative and other expenses

	30 June 2025	28 March 2025
	TCZK	TCZK
Administrative and other expenses	(328)	-

Administrative and other expenses represent mainly audit services related to special purpose financial statements as at 30 April 2025 and unrecovered VAT.

## 5. Explanatory information (continued)

### 5.6 Finance income and expenses

	30 June 2025	28 March 2025
	TCZK	TCZK
Finance expenses	(7)	-

Finance expenses represent mainly bank fee.

### 5.7 Income tax

Current tax includes the estimated tax (tax liability) calculated on taxable income for the period from 28 March 2025 to 30 June 2025 using tax rates in effect at the balance sheet date.

As of January 1, 2024, the new Act No. 416/2023 Coll., on supplementary taxes for large multinational groups and large domestic groups, entered into force. Based on this new legislation, the Group becomes a taxpayer of the supplementary tax. The first information overview and any declaration for this tax to the tax administrator for 2024 will be submitted in 2026.

The Company's tax liability in connection with the supplementary tax for 2025 is expected to be zero, because the aggregate effective tax rate for the Group companies in the Czech Republic calculated for the purposes of the supplementary tax exceeds the minimum 15%.

## 6. Related parties

For the period from 28 March till 30 June 2025, the members of the statutory body of the Company did not receive any monetary or non-monetary benefits.

There were no other transactions with related parties.

## 7. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2025.

## 8. Commitments

The Company had no capital or other commitments as at 30 June 2025.

## 9. Events after the reporting period

On July 10th 2025, the Company issued bonds EMMA FINCZ 6.00/30 with a fixed interest rate of 6% p.a, a nominal value of TCZK 2,500,000 and a maturity date of July 10th, 2030.

On July 10th 2025, the Company provided a loan to EMMA ALPHA HOLDING LTD in the amount of TCZK 2,500,000, with a fixed annual interest rate of 6.38% and a maturity date of July 10th, 2030.

There were no other material events after the reporting period that would have a significant impact on the financial statements prepared for the period from 28 March to 30 June 2025.

Signature of the Company's statutory body



Ing. Radka Blažková

Director

Date: 30 September 2025