



**PROFI CREDIT**

Profireal Group

**ANNUAL REPORT**

**2019**

**PROFI CREDIT Czech, a.s.**

## Selected Indicators of PROFIT CREDIT CZECH, a.s.

<b>Loans Provided (Production)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Number of loans provided	18 954	17 024	16 950
Nominal value of loans provided (in CZK ths)*	2 387 989	2 204 503	2 204 741
Disbursed in total (in CZK ths)	893 955	825 763	826 272
Credit for employees – share in total production	80.28%	79.69%	79.66%
Loans for business persons – share in total production	19.72%	20.31%	20.34%
<b>Human Resources**</b>			
Number of external credit advisors	303	462	654
Number of external collectors	37	49	53
Number of employees	251	262	228
<b>Financial Indicators (in CZK ths)***</b>			
Total assets	3 498 877	3 553 554	3 783 137
Total revenues	1 413 850	1 295 488	1 414 875
Total costs	1 197 383	1 069 424	1 229 191
Profit before taxation	287 865	328 892	214 748
Income tax****	71 398	102 828	29 064
Profit after taxation	216 467	226 064	185 684

\* Nominal value of a provided loan consists of the disbursed amount and future interest revenue. The value consists of the new production provided and revolving loans disbursed.

\*\* Number at the end of the year

\*\*\* Results in accordance with Czech Accounting Standards

\*\*\*\* Payable, deferred tax

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## **1. FINANCIAL GROUP PROFIREAL GROUP**

PROFIREAL Group is a multinational financial group operating largely on financial markets of Central and Eastern Europe. It ranks among significant providers of credits and loans in the Czech Republic, Poland, Bulgaria, Russia and, since 2017, the Philippines.

The parent company of the Group is PROFIREAL Group SE. For most of the year, the parent company's registered office was in the Netherlands. From 31 December 2019, the parent company's registered office is in the Czech Republic. The Group has concerned itself with the providing of financial loans and credits since as early as 2000, when it launched the said project in the Czech Republic and Slovakia.

Over the period of pursuing its business activities, the companies have provided more than 2,398,000 loans and credits, including revolving loans. Of the overall volume of loans and credits provided, the share in the Czech Republic stands at 20.36%.

In 2019, the companies of the Group continued with a stable volume of credits and loans provided. The volume of credits in PROFI CREDIT Czech increased year-on-year by 8.3%. The nominal value of loans and credits provided in 2019 by the PROFI CREDIT division exceeded the CZK 10.3 billion mark.

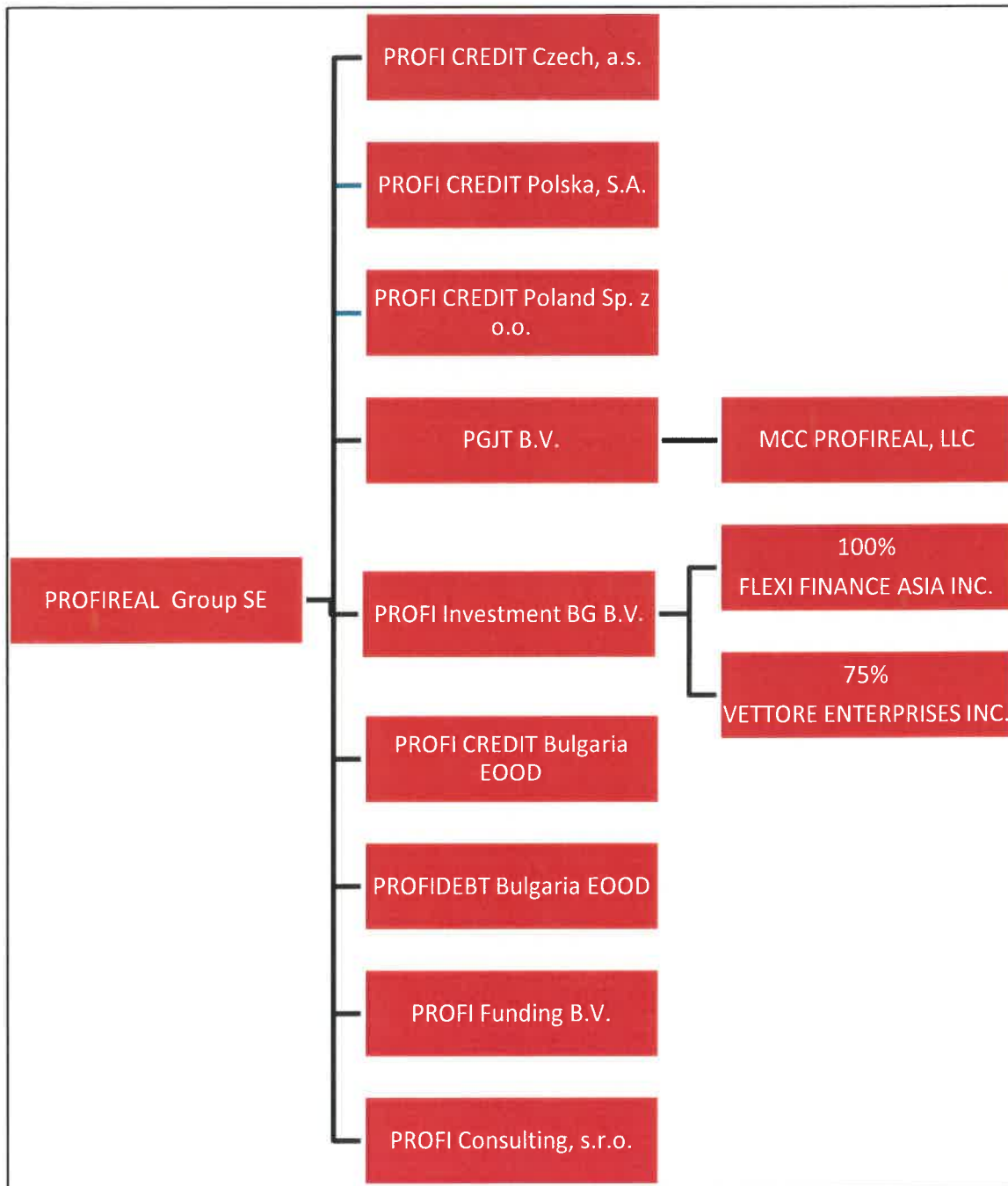
The priority of the companies of the PROFIREAL Group is the effort for further development of the business activities while maintaining the quality of its client portfolio. The Group continues to respond to the changes in the economies of the individual countries in which it is active on an operative basis and to adapt its strategy and in particular its risk management, to the current situation and legislation changes.

**PROFIREAL Group primarily focuses on countries of Central and Eastern Europe**



The main activity of the PROFI INVESTMENT division consists in identifying investment opportunities and interesting projects with an international overlap and also with local ambitions. Not only does the Company invest its capital in projects that have operated on the market for some time, are well established and which need a partner to provide a strong source of capital for their further development, but it also offers capital participation to new, emerging projects.

**Organisational structure of the PROFIREAL Group**



## **2. A WORD OF INTRODUCTION FROM THE CHIEF EXECUTIVE**

Ladies and Gentlemen,

Allow me to briefly describe 2019 in terms of the main events in our Company.

In previous years, we have seen a number of changes in our business area, to which we had to respond. We were looking for new ways to streamline costs, restructure sales channels and implement modern trends. The main task for us was to stabilise the commercial network, as the main sales channel of our Company. We have already undergone changes in the management of the commercial network in 2018, so our goal in the previous year was to stabilise the commercial network and its results. Nowadays we can say that we have been successful.

Although the whole non-bank lending sector has seen a slight economic cooling, thanks to the timely response and the measures taken, our Company managed to increase production by almost 10% year-on-year, which I consider a great success.

What I also perceive as very positive is the ability of PROFIT CREDIT Czech, a.s. to follow current trends in technologies and on the finance market. In 2019, we successfully switched to biometric signing of all contracts, thus significantly speeding up the loan process. Thanks to this change, we were able to start paying our clients multiple times a day and become an even more flexible partner in dealing with their unexpected situations. Furthermore, we have successfully implemented in the product portfolio the possibility of concluding payment protection insurance for our clients. In the first two quarters after its launch, 40% of clients took advantage of this option, which we consider a very good result.

At the beginning of the fourth quarter, we launched a new modern environment for cooperation with our business partners, the so-called Online Affiliate Platform, which unites the process with our business partners across countries in the PROFIREAL Group SE and from which we expect a significant expansion of our marketing activities.

PROFI CREDIT Czech, a.s. is aware of how necessary its role as a socially responsible company is and continues to support a number of projects. Thanks to its own project “For More Smiles”, the Company brought joy to five talented children whose physical or social handicap prevented them from fulfilling their dreams. Through many years of cooperation, thanks to which the Company supports, for example, “Salty Children – The Club of Cystic Fibrosis Patients” or the Markéta Private Children’s Home, we seek to help children that need it most. From the employees’ perspective, I see the “Baking for a Good Cause” programme, where employees themselves collect funds and decide who will receive the raised funds, as enjoying a special place.

At the time of issuing this annual report, there is a rapid development in connection with the COVID-19 disease epidemic, which threatens the health of employees and clients and disrupts the economic activity in the country. The Company’s management very soon implemented a number of measures to ensure the protection of the employees’ health and the Company’s business. The measures include quarantine and home office rules, the expansion of the use of telecommunication technology instead of personal meetings, increased the intensity of cleaning and regular disinfection of premises and other measures. Some of the employees at-risk who could not work from home were released by the Company due to obstacles to work on the employer’s part. The economic impact on the Company’s business will depend on both the intensity and duration of the epidemic phase of COVID-19 and, on the other hand, the final wording of proposed legislative measures in the area of adjusting the conditions for the provision of consumer loans, their repayment (moratorium) and the possibilities for the recovery of non-performing loans. The Company expects the number of loans granted will decrease as well as the repayment of the existing loans. As a result, 2020 revenues will be lower than initially expected. However, the overall impact cannot be determined at this time, mainly due to the fact that the legislative measures are still in the approval phase by the Senate of the Czech Republic. The increase in total operating expenses in relation to the above measures will not be significant. During 2020, the Company will closely monitor the impact of the COVID-19 epidemic in relation to the risk profile of the loan portfolio. Risk costs can be expected to be higher due to a deteriorated macroeconomic environment.



In conclusion, allow me to thank all the business partners of our Company for cooperation in the previous period. I would also like to take this opportunity and extend my thanks to all employees of PROFIT CREDIT Czech, a.s.



Ing. Pavel Klema

CEO, Member of the Board of Directors of PROFIT CREDIT Czech, a.s.

### **3. CHARACTERISTICS OF PROFI CREDIT CZECH, A.S.**

#### **3.1. Bodies of the Company**

##### **Board of Directors**



**Jaroslaw Checinski, MBA**  
Chairman of the Board of Directors

He graduated in European Studies at the University of Cambridge and obtained a MBA at Drexler University in Philadelphia. He held advisory positions abroad and worked in the management of companies such as Accenture, PwC or Alltel Communications. He had been the general manager of PROFI CREDIT Polska since 2011 and a successful customer project created under his management launched the creation of additional programmes in other countries of PROFIREAL Group SE. At present, he is the Chief Executive Officer of Global Section.



**Ing. Pavel Klema**  
Member of the Board of Directors

After graduating from Brno University of Technology, he started his career in PROFI CREDIT. Over the course of two years, he rose to the position of director of one of the sections for the entire Central Europe. Subsequently, he worked as a director of the receivables department in Air Bank for almost three years and he managed the internal processes in the collection agency EOS-KSI for two years. He has more than ten years of experience with managerial positions in the financial sector. After several years he returned and now he is the managing director of PROFI CREDIT Czech a.s.



**Ing. Lukáš Nový**

Member of the Board of Directors

After graduating from the Faculty of Business Administration at the University of Economics in Prague, he worked in the department of tax and legal services in the international consulting company PwC. He has 14 years of experience in managerial positions in the field of financial management and from the management of companies operating in various industries. Since March 2018, he has been the Chief Financial Officer of PROFIT CREDIT Czech.



**Bc. Petr Florián**

Member of the Board of Directors

After studying at the Faculty of Business Administration at the University of Economics in Prague, he worked as a recruiter and HR manager in several multinational companies. He has nine years of experience in managerial positions in the field of personnel management, including the Unipetrol and Foxconn group. Since March 2017, he has been Group Chief HR Officer of the Profireal Group and since 2019, he has been a member of the Supervisory Board of PROFIT CREDIT Polska S.A.

**Supervisory Board Profi Credit Czech, a.s.**

Ing. Zdeněk Lhotský, MBA - Chairman of the Supervisory Board

Ing. Miroslava Oravcová - Member of the Supervisory Board

Ing. Ondřej Sotona - Member of the Supervisory Board

**Members of management of Business Unit PROFÍ CREDIT Czech, a.s.**

Ing. Lukáš Nový – Head of Financial Department

Ing. Ladislav Müller – Head of Sales Department

Dip.Mgmt. Martin Kašpar – Head of Marketing Department

Ing. Martina Pechánková – Head of Audit Department

Ing. Dita Novotná – Head of Collections Department

Mgr. Tomáš Hruška – Head of Operations Department

Bc. Lenka Krajhanzlová – Head of HR Department

Ing. Martin Horký – Head of IT Department

František Kolínský – Head of Risk Department

**Members of management of Advisory Unit PROFÍ CREDIT Czech, a.s.**

Ing. Mojmír Švejda – Group Chief Operations Officer

Ing. Ondřej Sotona – Group Chief IT Officer

Bc. Petr Florián – Group Chief HR Officer

Ing. Zdeněk Lhotský, MBA – Group Strategic Development Manager

Ing. František Tesař – Special Project Manager

### **3.2. Company introduction**

PROFI CREDIT Czech, a.s. was founded in 1994 under the trade name PROFIREAL, a.s. The Company's trade name and product brands were changed in February 2008. In 2018, Pavel Klema was appointed the new CEO.

The Company primarily specialised in real estate and purchase and administration of debts. PROFIT CREDIT Czech, a.s. has been involved in the non-banking financial sector since 2000, when it began providing loans to individuals - natural persons not conducting business. The Company now has a broad portfolio of products intended for natural persons and legal persons alike, both online and offline, and it is a prominent provider of financial loan services.

PROFI CREDIT Czech, a.s. is part of the multinational PROFIREAL Group SE financial group, with its headquarters in the Czech Republic. The Company began expanding into other European markets at the end of the year 2000 by moving into Slovakia. Further expansion followed in 2004, when a subsidiary was set up in Poland. The Company then moved into the Bulgarian market in November 2006, and a new company was established in Russia in July 2013. In 2017, the Company expanded to South-East Asia, specifically the Philippines, where it entered as a majority shareholder in the repayment company Flexi Finance.

The basic philosophy at PROFIT CREDIT is to provide a personal approach. Products are offered by way of direct sales through a network of loan advisors who help clients choose the right product according to their individual needs and financial situation. In 2019, the commercial network was stabilised after a number of measures leading to a more efficient management and reduced costs. The efficiency of processes goes hand in hand with another very important trend in the Company, which is the electronisation of administration. Clients conclude contracts biometrically which speeds up the application process. PROFIT CREDIT thus reacts to the current trends and continues to improve the services provided to its clients.

### 3.3. Product range

PROFI CREDIT provides loans to individuals and corporate entities. Similarly to previous years, in 2019 the Company continued to offer a consumer loan in the retail segment under the name of Personal Loan. Thanks to the introduction of an additional service of payment protection insurance, the loan was renamed during 2019 to Insured Loan (*Pojištěná půjčka*). The Company managed to acquire a very strong partner for this service, namely Česká pojišťovna, a.s., which was renamed to Generali Česká pojišťovna, a.s. at the end of 2019. The retail segment offers a loan called *Razdva půjčka*, which follows today's trends in loans and is arranged online as people are increasingly trying to address their needs online. In 2019 as well, the business segment included the popular business loans ProFi MINI, ProFi MINI+ and ProFi BONUS.

The Insured Loan and *Razdva půjčka* are consumer products not tied to any specific purpose. The business loans do have a specific purpose. Loans are paid out to clients without any fees for approval, set-up or guarantees in the form of tangible assets or real property. The financial performance from an approved loan is sent to the client's account by cashless transfer. Our products boast of advantages in the form of their accessibility and speed of provision.

**The Insured Loan** is intended for all clients who have regular income. The amount of these loans ranges from CZK 5,000 to CZK 166,000. Clients can take out the loan with a maturity between 12 and 60 months and the loan is not tied to any specific purpose. Clients can therefore use the Insured Loan for anything – such as renovation or furnishing of their apartment, to buy a car, electronic appliances and the like. In 2019, we followed this positive experience with additional values added to provided loans and we offered our clients seasonal special offers with the possibility to obtain interesting rewards.

**The ProFi MINI and ProFi MINI+ loans** are intended chiefly for small-scale businesses and self-employed individuals (natural persons and legal entities) to address their immediate financial needs. This is a short-term loan which allows the client to obtain amounts ranging from CZK 15,000 to CZK 75,000 with the repayment period from 3 to 36 months. The basic criterion for determining if the applicant will be provided the loan is information from accessible registers (both public and paid registers) and the loan amount depends on the duration of the business and the applicant's age.

The **ProFi BONUS loan's** higher limits of the amount paid out make it suitable for modernisation of establishments, procurement of equipment, machinery and various facilities for business activities. Like the ProFi MINI and ProFi MINI+ products, it is tied to a specific purpose. ProFi BONUS allows clients to apply for CZK 30,000 – CZK 250,000, with the repayment period of 12 – 60 months. In order to motivate businesses to maintain good payment discipline, we also introduced a bonus for orderly repayments for this main business loan.

*Razdva půjčka* is intended for all citizens with a regular income from employment. It is a consumer loan not tied to any specific purpose which is arranged completely online. As part of this online loan, the client is able to take out a loan from CZK 5,000 to CZK 100,000 with maturity from 3 to 48 months. *Razdva půjčka* targets higher customer segments than the main product Insured Loan so if the application is not successful, it is possible to offer the client another loan option.

Loyalty and good payment discipline are key for the Company. For this reason, the **Good Client Club** has been in operation since 2015. The clients that repay their loans properly receive a variety of advantages, such as cheaper loans and faster processing of their requests. We are delighted to see that the number of members also increased in 2019. We will continue working with the Good Client Club and increasing the attractiveness for duly repaying customers.

We assess solvency of clients by means of accessible registers administered by the public sector of the Czech Republic, SOLUS, CNCB registers and, as a result, our response to the financial and loan burden of citizens of the Czech Republic is more responsible.

The Company regularly receives feedback on its offered products and services from its customers and it has market research carried out, which last took place in the consumer and business sectors in 2019. In line with customer and market needs, the Company prepares not only new products in the consumer sector and services in the business sector for the next period, but also new distribution options.

### 3.4. Commercial results

PROFI CREDIT Czech, a.s., which has provided non-banking loans and credits on the Czech market since 2000, provided loans of a total value of nearly CZK 2.39 billion in 2019. Like in previous years, our best-selling product was the loan for non-business entities which we started to provide under a completely new name “Insured Loan”, as clients can now insure themselves against inability to repay. However, products for the business sector also represent a significant share of total production. During its time on the Czech market, PROFIT CREDIT Czech, a.s. has provided a nominal value of newly-provided loans of CZK 27.95 billion.

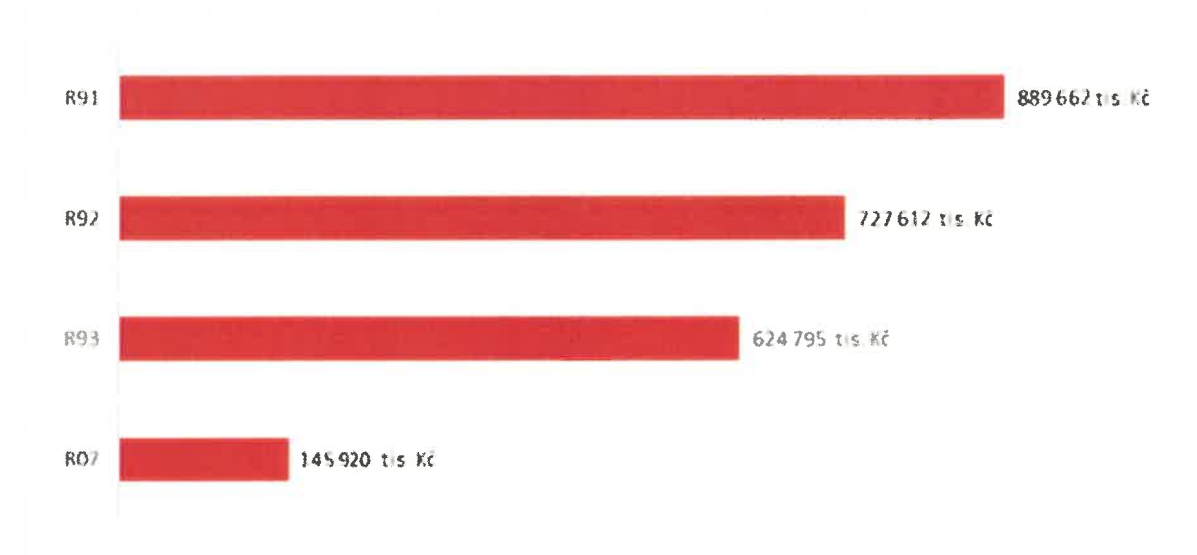
The commercial network has been divided into three regions and a group of larger Independent Brokers throughout the Czech Republic (R07). The most successful region in 2019 was North (R91), providing loans in the territory of the Capital City of Prague, the Ústí nad Labem, Liberec, Hradec Králové and Pardubice Regions and part of the Central Bohemian Region, with production of CZK 889,662 thousand. Second place was taken by the East region (R92), composed of the Moravian-Silesian, Olomouc, South Moravian and Zlín Regions, which achieved a result of CZK 727,612 thousand. The last region with production of CZK 624,795 for the whole year was the West region (R93), composed of the Karlovy Vary, Plzeň, South Bohemian and Vysočina Regions and part of the Central Bohemian region. Region R07 includes sales from alternative distribution and *Razdva půjčka* arranged online.



**Total production for individual regions in 2019**

**Total CZK 2.39 billion**

In CZK thousand



### **3.5. Commercial outlook**

In the past year, we have expanded the product portfolio with payment protection insurance, i.e. consumer credit clients can conclude this insurance for situations in which, for various reasons, they will be unable to repay the money they borrowed. At the same time, we have managed to make several adjustments to the approval process of applications for loans and credits, which increase clients' satisfaction, our number one priority. Among other things, over the last year, we introduced more frequent payment of money to clients, so that the clients can now have money in the account up to one day earlier than in the past, and the overall time since the application to the payment has also been reduced. Furthermore, we have allowed dealers to sign contracts for business products biometrically, i.e. without the need to send physical documents.

Overall, the Company strives and works to make the whole money lending process as comfortable and easy as possible for both our clients and cooperating loan advisors in line with current financial trends.

At the same time, we are constantly working on the offer of products that are more favourable, quicker and easier to obtain for our clients and loan advisors.

### **3.6. Commercial network**

PROFI CREDIT Czech, a.s. offers its clients a genuine personal approach. Accordingly, it sells its products directly through a network of external colleagues – loan advisors and partner companies. A quality commercial network is the foundation on which the Company's success is built and PROFIT CREDIT therefore places great importance on the development of the commercial network.

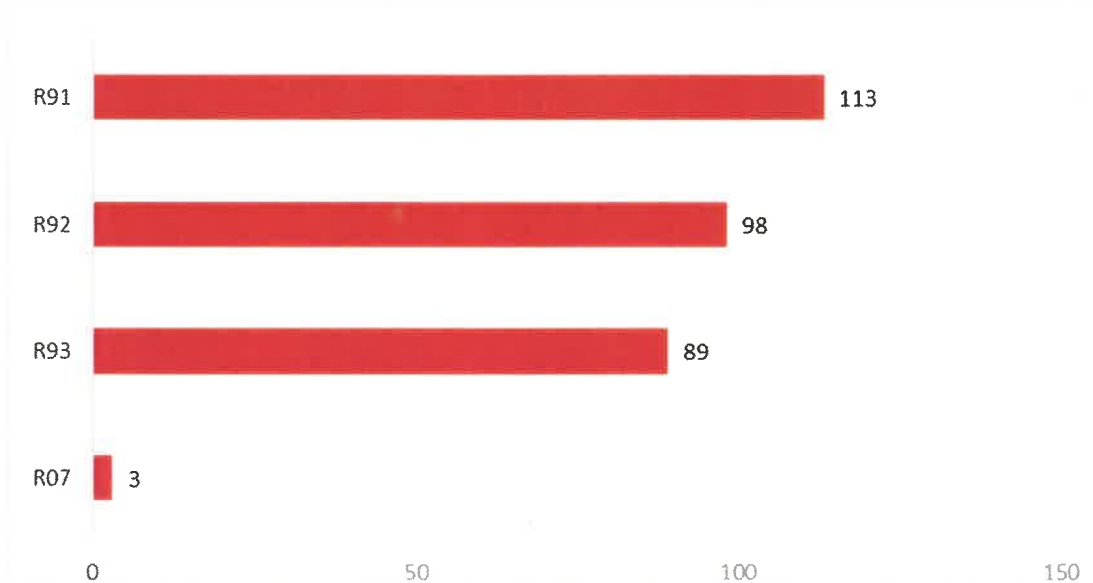
Every loan advisor who wants to conclude consumer loan agreements must have passed the CNB's examination. Last year we developed a system for recruiting loan advisors under which even applicants who have not passed the exam yet can join us. Our trainers will then help them prepare for the examination. The success rate of those who prepare responsibly is very high.

The Company operates 50 offices across the Czech Republic, providing adequate capacities to provide service to clients anywhere in the country. The mobile network of loan advisors ensures contact with the client and provides consistent client care, i.e. from the presentation of a full offering of services to the client, signing a loan contract, to the repayment of the loan.

The commercial network in the Czech Republic is divided into three main regions: North (R91), East (R92), West (R93) and a network of larger Independent Brokers throughout the Czech Republic (R07). Each region has its own head office, which, in addition to providing the administrative background for commercial group managers and loan advisors, also serves as commercial and information points for our clients.

The relevant country managers are responsible for production volume and quality, and for the recruitment and adaptation of new loan advisors in their respective regions. Each region is further divided into several micro-districts, where responsibility for these rests with the competent area managers.

**Total number of loan advisors by region as of 31 December 2019 – 303 advisors**



At present, loan advisors include tied agents (TA), business loan brokers (BLB) and independent brokers (IB). Due to the obligatory certification of TA (IB undergo the whole process by themselves and have to be certified before joining the Company) preceded by the completion of the Czech National Bank's exam, the number of tied agents decreased again last year. Not every interested person is willing to invest his free time in preparation for the exam and then successfully pass it. Therefore, it is increasingly difficult to find a new and well-working advisor. At the end of the year, our network was composed of 303 loan advisors.

### 3.7. Employees

In 2019, the Company continued with the previously started trend of cost optimisation, including streamlining the use of human resources. After the restructuring of the commercial network, the Company focused on possible reserves in the work efficiency of multinational and local sections of the Company. On the basis of a careful assessment of the current situation and after taking into account trends in the field of non-bank loans and the labour market, the Company initiated steps to reduce costs, which entailed, among other things, the cancellation of selected positions.

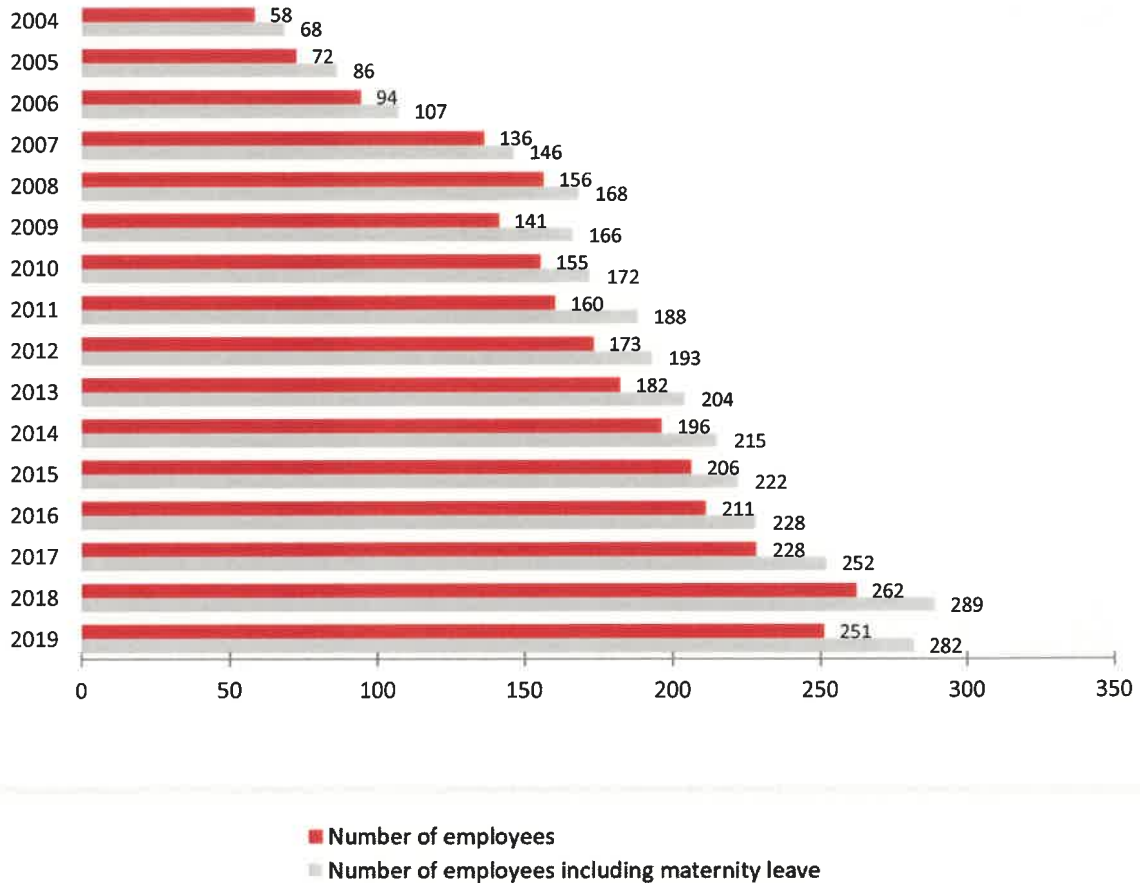
The changes of the organisational structure were not of a minor nature as indicated by the fact that these changes affected the Company's Board of Directors as well. In July, Lukáš Nový became a statutory representative and simultaneously continues as the Chief Financial Officer. In the last month of the year, Petr Florián, Group Chief HR Officer, became a new member of the Board of Directors.

In addition to the need to streamline costs, legislative changes were also reflected in the shifts in the organisational structure. The audit department was separated from the local business section to become an independent section while uniting with the Company's legal department. The restructuring of the commercial network, which took place in 2018, was therefore only the beginning of a long-term process of changes. After reducing the number of business regions, the map of the collection network, which currently reflects the distribution of the aforementioned business regions, has changed as well.

Cost optimisation often evokes the idea of unpopular changes. However, in the long term, the Company has been trying to maintain a positive working environment, so it decided to change the reward system. Since January 2019, the wage incentive of the Company's employees has been divided to give them a greater sense of stability and security.

The first successes were also brought by a programme that was launched to encourage employees to present improvement ideas. The Company already quantifies the first real savings and rewards innovative employees connected thereto.

### Development of the number of employees at PROFÍ CREDIT Czech a.s.



### 3.8. Sponsorship

PROFI CREDIT Czech, a.s. is a socially responsible company. For this reason, it cares about helping people in need and its CSR (Corporate Social Responsibility) activities are an integral part of the Company's philosophy. PROFÍ CREDIT helps especially in the social sphere, where it engages in help and support, both through financial support and material donations as well as on the personal level.

In 2019, the Company further developed the CSR project **For More Smiles** (formerly called Children's Smile with PROFÍ CREDIT), which focuses on helping the most vulnerable population group, socially disadvantaged or disabled people. The Company selects projects, organisations or individuals based on ethical and social aspects. The Paralympian Martin Zvolánek is the ambassador of the project.

The Company's employees take part in CSR out of their own initiative. Project Baking for a Good Cause has been running since March 2016. As part of this project, employees of the individual departments prepare breakfast for the other colleagues every month. Then they pay a voluntary contribution for the breakfast and the amount collected is then used to support an individual, group or organisation of their choice. Since the launch, we have collected more than CZK 410,000. In 2019, we raised CZK 114,517 to support selected projects or individuals.

**Primary projects continuously supported in 2019:**

**Private children's home Markéta**

The private children's home Markéta is no longer "just" an organisation we support. In more than 10 years of PROFIT CREDIT Czech, a.s.'s support of the children's home it has become an integral part of the Company. It is a private establishment with strong family ties to the Ochs (husband and wife), who provide loving care to ten children. They take an individual approach to the needs of each child. But even children who have reached majority find their place here, sometimes even with their own families. The home is supported by the Company not only with financial donations (CZK 100,000 each year) but also active participation of our employees in children's day or collections to cover the needs of the home. In addition, all members of the Home's family are always welcome to the Company's events.

**Club of Cystic Fibrosis Patients**

The Club of Cystic Fibrosis Patients aims to improve the quality of the patients' lives and to simplify the provision of care for their families and loved ones. The Company has been supporting it since 2013. In 2019, the Company donated CZK 250,000 to the organisation in support of its activities and patients.

The Company's employees also take active part in various activities in this areas. The employees including a representative of the Company's management also attended the launch of the third issue of the "salty women" calendar, which is composed of photographs of cystic fibrosis patients. In 2019, the calendar was created with the support of actors from Dejvické divadlo.

**Martin Zvolánek**

For several years the Company has also been supporting the Paralympian Martin Zvolánek, who represented the Czech Republic in club throw at the 2016 Paralympic Games in Rio de Janeiro and has been diligently preparing for his participation in the next Paralympics in Tokyo in 2020. He has already represented our country at four Paralympics. He even won valuable medals: silver and bronze in table tennis in Sydney in 2000 and eight years later gold in disc throw at the Paralympics in Beijing. Martin and his family take an active part in the company events such as the St Nicholas' present for children of employees or the launch party of the Salty Women 2019 calendar. In addition, he has become the ambassador of the CSR project For More Smiles.

**Velká pardubická**

Activities of responsible companies no doubt include the support of unique events. In October, we therefore sponsored the most important event of the horse-racing season – the 129<sup>th</sup> annual Velká pardubická race. The Popler Memorial of the PROFIREAL Group was the penultimate horse race immediately preceding Velká pardubická itself. The race intended for horses aged five years or more is the pinnacle of the season for short cross-country. The 3,300-metre long horse race was funded by PROFIREAL Group in the amount of CZK 300,000. The winner of this year's seventh Velká pardubická race was Tiara Man, who defended his victory from the previous year, with jockey Sertash Ferhanov in the saddle.

**Children's Innogy Super Day**

The largest children's day in the Pardubice Region, which is annually held at the racecourse, is supported by PROFI CREDIT Czech, a.s. not only financially, but also materially in the form of rewards for the public. The Company also has a stall with attractions for children at the event. A limited number of free tickets are available for the Company's employees.

**J&T Banka Prague Open**

PROFI CREDIT has been supporting the largest Czech tennis tournament, J&T Banka Prague Open, for several years. Thanks to the financial support of the tournament and TK Sparta Praha tennis club, the Company's employees and business partners can use a limited number of free tickets. The Company is presented for example during Moravia Steel Sparta Cup ITF 18&U, Sparta Cup Tennis Europe Junior Tour and many others.

### **For More Smiles**

Before Christmas 2017, the Company launched the CSR project “For More Smiles”, whose aim was to help granting the wishes of ill, disabled or socially deprived people. The families of these individuals often face a lack of funds for the necessary equipment. In early 2018, the Company granted the wishes of seven children. The delight of their families and their own gave us a clear sign that it is necessary to continue this activity. In late 2018, we therefore announced the second year of the For More Smiles project, in which we support the development of talented people with health, social or ethnic disadvantages. This time it was not one-time help, but the Company will continue to support five selected individuals in the long term. The Company anticipates increasing the number of supported people in the coming years.



## **4. REPORT OF THE BOARD OF DIRECTORS**

**Report of the Board of Directors on the balance of assets for 2019, annual financial statements for 2019 and proposal for distribution of profit of PROFIT CREDIT Czech, a.s. for 2019.**

**Dated: 20 April 2020**

**Prepared by: Ing. Pavel Klema CEO BS, PROFIT CREDIT Czech, a.s.**

This Report is submitted to the sole shareholder upon exercise of powers of the General Meeting by the Board of Directors of PROFIT CREDIT Czech, a.s., a company established on 5 December 1994, with its registered office at Klimentská 1216/46, 110 00 Prague 1. In 2018, the Company's main scope of business was the provision of credits and loans.

The total assets of the Company achieved the value of CZK 3,498,887 thousand for the reporting period of 2019. The share of current assets was 98% and their total volume reached CZK 3,436,518 thousand in 2019, while trade receivables amounted to CZK 3,285,861 thousand. The proportion of fixed assets to the Company's total assets stood at 1% and their total amount in 2019 was CZK 25,747 thousand.

The Company's liabilities (external resource) reached CZK 1,869,985 thousand, of which long-term loans and borrowings amounted to CZK 53,701 thousand.

The main components of the Company's total revenues, reaching the amount of CZK 1,413,850 thousand in 2019, were represented by financial revenues from provided loans and credits in the amount of CZK 1,064,634 thousand, contractual penalties, fines and interest on overdue payment of CZK 221,597 thousand, other operating revenues (court fees, fees for legal representation, etc.) of CZK 56,331 thousand.

Costs in 2019 reached the total amount of CZK 1,197,383 thousand, with the main cost items represented by interest on loans of CZK 91,425 thousand, receivables written off due to ineffective distraints and results of insolvency proceedings of CZK 419,548 thousand, costs related to commissions paid to external loan and debt-collecting workers of CZK 117,139 thousand and wage costs of CZK 281,083 thousand.

As of 31 December 2019, the Company reported the accounting economic result before tax in the amount of CZK 287,865 thousand. After including deferred tax (CZK 31,798 thousand) and tax liabilities, the Company earned a profit in 2019 in the amount of CZK 216,467 thousand. When taking into account the adjustments related to taxable and deductible items, the income tax base for the relevant reporting period reached CZK 543,137 thousand. Tax liabilities for 2019, including the withholding tax, amount to CZK 103,196 thousand.

In accordance with the business plan, PROFIT CREDIT Czech, a.s. achieved accounting profit in 2019. The Company's net accounting profit in 2019 is CZK 216,467 thousand. In compliance with the Company's Articles of Association, it is proposed to be transferred to retained earnings.

Economic results with a detailed break-down are contained in the statements attached herein below:

- Full balance sheet;
- Full profit and loss account;
- Cash flow statement;
- Notes to the financial statements; and
- Report on relations between related parties.



Ing. Jaroslav Checinski

Chairman of the Board of Directors



Ing. Pavel Klema

Member of the Board of Directors

## **5. FINAL REPORT OF THE SUPERVISORY BOARD**

### **Final Report of the Supervisory Board of PROFIT CREDIT CZECH, a.s. for consideration of the General Meeting of the Company.**

At its session held on 21 April 2020, the Supervisory Board of PROFIT CREDIT Czech, a.s., discussed documents related to the Company's economic result submitted by the Board of Directors for the reporting period and tax period 2019, that is:

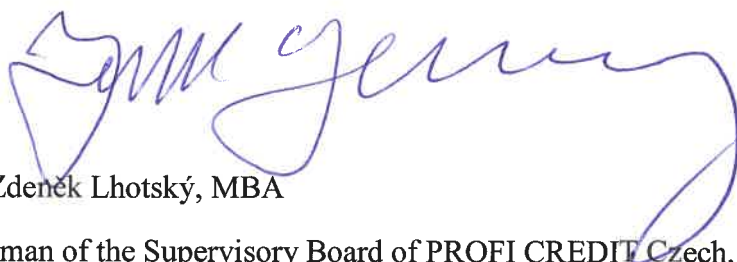
1. Financial statements of the Company for 2019;
2. Report of the Board of Directors on business activities of the Company for 2019;
3. Report of the Board of Directors on the Company's assets, financial statements and proposal for profit distribution for 2019;
4. Draft of the Independent Auditor's Report on the financial statements as of 31 December 2019; and
5. Report on relations between related parties for 2019.

In accordance with the provisions of Section 447 of the Act on Business Corporations and Cooperatives, the Supervisory Board reviews, inter alia, the ordinary financial statements and the proposal of the Board of Directors for profit distribution or loss settlement and submits its opinion to the General Meeting. The ordinary financial statements of PROFIT CREDIT Czech, a.s. for 2019 were audited by the auditing company Deloitte Audit s.r.o. with its registered office at Italská 2581/67, Vinohrady, 120 00 Prague 2. The auditing company also reviewed the correctness of data specified in the Report on relations between related parties.

The Company's economic results for 2019 represent a profit in the amount of CZK 216,467 thousand. In compliance with the Company's Articles of Association, it is proposed to be transferred to retained earnings.

The Supervisory Board considered the economic result for 2019, acknowledged the proposed content of the Auditor's Report on the ordinary financial statements, discussed and reviewed the ordinary financial statements for 2019, discussed and reviewed the proposal of the Board of Directors for distribution of the Company's profit and reviewed and granted its consent as regards the Report on relations between related parties according to **Section 82 of Act No. 90/2012 Coll.** The Supervisory Board states that the financial statements were prepared on grounds of a duly conducted bookkeeping and that the proposal of the Board of Directors on profit distribution complies with legal regulations.

The Supervisory Board recommends that the General Meeting approve the Company's ordinary financial statements for 2019, the aforementioned proposal of the Board of Directors for distribution of the Company's profit for 2019 and the Report on relations between related parties for 2019.

A handwritten signature in blue ink, appearing to read 'Zdeněk Lhotský', is written over a faint, large watermark of the company's logo. The logo features a stylized 'P' and 'C' intertwined.

Ing. Zdeněk Lhotský, MBA

Chairman of the Supervisory Board of PROFIT CREDIT Czech, a.s.

## **6. INDEPENDENT AUDITOR'S REPORT**

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Shareholder of PROFI CREDIT Czech, a.s.**

Having its registered office at: Klimentská 1216/46, Nové Město, 110 00 Praha 1

#### Opinion

We have audited the accompanying financial statements of PROFÍ CREDIT Czech, a.s. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as of 31 December 2019, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of PROFÍ CREDIT Czech, a.s. as of 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

#### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

## Responsibilities of the Company's Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with the Board of Directors and the Supervisory Board 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.

In Prague on 20 April 2020

Audit firm:

Deloitte Audit s.r.o.  
registration no. 079



Statutory auditor:

Diana Rádl Rogerová  
registration no. 2045



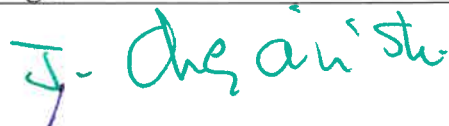

## 7. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

**Name of the Company:** PROFIT CREDIT Czech, a.s.  
**Registered Office:** Klimentská 1216/46, Nové Město, 110 00 Prague 1  
**Legal Status:** Joint Stock Company  
**Corporate ID:** 618 60 069

### Components of the Financial Statements:

**Balance Sheet**  
**Profit and Loss Account**  
**Statement of Changes in Equity**  
**Cash Flow Statement**  
**Notes to the Financial Statements**

**These financial statements were prepared on 20 April 2020.**

Statutory body of the reporting entity:	Signature
Jaroslav Checinski	
Ing. Pavel Klema	



## 7.1. Full Balance Sheet as of 31 December 2019 (in CZK thousand)

	31 December 2019		31 December	
	Gross	Adjustment	Net	Net
<b>TOTAL ASSETS</b>	<b>8 777 315</b>	<b>5 278 438</b>	<b>3 498 877</b>	<b>3 553 554</b>
<b>B. Fixed assets</b>	<b>79 726</b>	<b>53 979</b>	<b>25 747</b>	<b>50 632</b>
<i>B.I. Intangible fixed assets</i>	<b>43 864</b>	<b>33 640</b>	<b>10 224</b>	<b>12 046</b>
B.I.1. Development	4 493	4 493	0	0
B.I.2. Valuable rights	<b>35 550</b>	<b>25 841</b>	<b>9 709</b>	<b>9 436</b>
B.I.2.1. Software	35 550	25 841	9 709	9 436
B.I.4. Other intangible fixed assets	3 541	3 306	235	747
B.I.5. Prepayments for intangible fixed assets and	<b>280</b>	<b>0</b>	<b>280</b>	<b>1 863</b>
B.I.5.2. Intangible fixed assets under construction	280	0	280	1 863
<i>B.II. Tangible fixed assets</i>	<b>35 682</b>	<b>20 339</b>	<b>15 343</b>	<b>38 406</b>
<i>B.II.1. Land and structures</i>	<b>7 293</b>	<b>1 497</b>	<b>5 797</b>	<b>28 067</b>
B.II.1.1. Land	0	0	0	2 635
B.II.1.2. Structures	7 293	1 497	5 796	25 432
B.II.2. Tangible movable assets and sets of tangible	28 349	18 842	9 507	8 861
<i>B.II.5. Prepayments for tangible fixed assets and</i>	<b>40</b>	<b>0</b>	<b>40</b>	<b>1 478</b>
B.II.5.2. Tangible fixed assets under construction	40	0	40	1 478
<i>B.III. Non-current financial assets</i>	<b>180</b>	<b>0</b>	<b>180</b>	<b>180</b>
B.III.6. Loans and borrowings - other	180	0	180	180
<b>C. Current assets</b>	<b>8 660 977</b>	<b>5 224 459</b>	<b>3 436 518</b>	<b>3 468 226</b>
<i>C.I. Inventories</i>	<b>563</b>	<b>0</b>	<b>563</b>	<b>1 207</b>
<i>C.I.3. Products and goods</i>	<b>563</b>	<b>0</b>	<b>563</b>	<b>1 207</b>
C.I.3.2. Goods	563	0	563	1 207
<i>C.II. Receivables</i>	<b>8 627 782</b>	<b>5 224 459</b>	<b>3 403 324</b>	<b>3 436 464</b>
C.II.1. Long-term receivables	<b>794 613</b>	<b>24 372</b>	<b>770 241</b>	<b>740 290</b>
C.II.1.1. Trade receivables	794 613	24 372	770 241	740 290
<i>C.II.2. Short-term receivables</i>	<b>7 833 170</b>	<b>5 200 087</b>	<b>2 633 083</b>	<b>2 696 174</b>
C.II.2.1. Trade receivables	7 715 707	5 200 087	2 515 620	2 619 691
C.II.2.2. Receivables - controlled or controlling entity	8 170	0	8 170	17 206
<i>C.II.2.4. Receivables - other</i>	<b>109 293</b>	<b>0</b>	<b>109 293</b>	<b>59 277</b>
C.II.2.4.3. State - tax receivables	90 829	0	90 829	45 411
C.II.2.4.4. Short-term prepayments made	8 571	0	8 571	8 378
C.II.2.4.5. Estimated receivables	7 320	0	7 320	3 027
C.II.2.4.6. Sundry receivables	2 572	0	2 572	2 461
<i>C.IV. Cash</i>	<b>32 632</b>	<b>0</b>	<b>32 632</b>	<b>30 555</b>
C.IV.1. Cash on hand	611	0	611	1 011
C.IV.2. Cash at bank	32 021	0	32 021	29 544
<b>D. Other assets</b>	<b>36 612</b>	<b>0</b>	<b>36 612</b>	<b>34 696</b>
D.1. Deferred expenses	32 759	0	32 759	31 164
D.3. Accrued income	3 853	0	3 853	3 532

		31 December 2019	31 December 2018
	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>3 498 877</b>	<b>3 553 554</b>
<b>A.</b>	<b>Equity</b>	<b>1 611 938</b>	<b>1 645 472</b>
<b>A.I.</b>	<b>Share capital</b>	<b>232 650</b>	<b>232 650</b>
A.I.1.	Share capital	232 650	232 650
<b>A.IV.</b>	<b>Retained earnings (+/-)</b>	<b>1 162 820</b>	<b>1 186 758</b>
A.IV.1.	Accumulated profits brought forward	1 162 820	1 186 758
A.IV.3.	Other profit or loss from prior years (+/-)	0	0
<b>A.V.</b>	<b>Profit or loss for the current period (+/-)</b>	<b>216 467</b>	<b>226 064</b>
<b>B.+C.</b>	<b>Liabilities</b>	<b>1 869 985</b>	<b>1 887 379</b>
<b>B.</b>	<b>Reserves</b>	<b>132 777</b>	<b>142 883</b>
B.II.	Income tax reserve	103 186	102 363
B.IV.	Other reserves	29 591	40 520
<b>C.</b>	<b>Payables</b>	<b>1 737 208</b>	<b>1 744 496</b>
<b>C.I.</b>	<b>Long-term payables</b>	<b>1 092 935</b>	<b>1 288 349</b>
<b>C.I.1.</b>	<b>Bonds issued</b>	<b>911 720</b>	<b>909 220</b>
C.I.1.2.	Other bonds	911 720	909 220
C.I.2.	Payables to credit institutions	41 250	29 667
C.I.4.	Trade payables	60 554	63 522
C.I.6.	Payables - controlled or controlling entity	0	67 000
C.I.8.	Deferred tax liability	66 960	98 759
C.I.9.	Other payables	12 451	120 181
C.I.9.3	Sundry payables	12 451	120 181
<b>C.II.</b>	<b>Short-term payables</b>	<b>644 273</b>	<b>456 147</b>
C.II.2.	Payables to credit institutions	330 544	129 293
C.II.3.	Short-term prepayments received	0	0
C.II.4.	Trade payables	102 025	84 949
C.II.6.	Payables - controlled or controlling entity	114	353
C.II.8.	Other payables	211 590	241 552
C.II.8.2.	Short-term financial borrowings	170 000	80 000
C.II.8.3.	Payables to employees	12 168	13 091
C.II.8.4.	Social security and health insurance payables	6 373	7 412
C.II.8.5.	State - tax payables and subsidies	2 876	2 974
C.II.8.6.	Estimated payables	10 790	10 228
C.II.8.7.	Sundry payables	9 383	127 847
<b>D.</b>	<b>Other liabilities</b>	<b>16 954</b>	<b>20 703</b>
D.1.	Accrued expenses	16 803	19 067
D.2.	Deferred income	151	1 636

**7.2. Profit and loss account, according to the nature of expense method, year ended 31 December 2019 (in CZK thousand)**

	Year ended 31 December 2019	Year ended 31 December 2018
I. Sales of products and services	40 051	59 261
A. Purchased consumables and services	<b>169 854</b>	<b>157 734</b>
A.2. Consumed material and energy	10 281	13 161
A.3. Services	159 573	144 573
D. Staff costs	<b>281 083</b>	<b>231 255</b>
D.1. Payroll costs	212 050	173 192
D.2. Social security and health insurance costs and other charges	<b>69 034</b>	<b>58 063</b>
D.2.1. Social security and health insurance costs	65 971	55 162
D.2.2. Other charges	3 063	2 901
E. Adjustments to values in operating activities	<b>-96 534</b>	<b>-125 982</b>
E.1. Adjustments to values of intangible and tangible fixed assets	<b>8 329</b>	<b>7 061</b>
E.1.1. Adjustments to values of intangible and tangible fixed assets -	8 329	7 061
E.3. Adjustments to values of receivables	-104 863	-133 043
III. Other operating income	<b>309 077</b>	<b>226 551</b>
III.1. Sales of fixed assets	31 149	1 400
III.3. Sundry operating income	277 928	225 151
F. Other operating expenses	<b>520 981</b>	<b>412 158</b>
F.1. Net book value of sold fixed assets	24 598	17
F.3. Taxes and charges	22 274	13 834
F.4. Reserves relating to operating activities and complex deferred	-10 930	13 395
F.5. Sundry operating expenses	485 039	384 912
* <b>Operating profit or loss (+/-)</b>	<b>-526 256</b>	<b>-389 353</b>
VI. Interest income and similar income	0	0
VI.2. Other interest income and similar income	0	0
J. Interest expenses and similar expenses	<b>91 425</b>	<b>103 540</b>
J.1. Interest expenses and similar expenses - controlled or controlling	1 055	10 408
J.2. Other interest expenses and similar expenses	90 370	93 132
VII. Other financial income	1 064 722	1 009 676
K. Other financial expenses	159 176	187 891
* <b>Financial profit or loss (+/-)</b>	<b>814 121</b>	<b>718 245</b>
** <b>Profit or loss before tax (+/-)</b>	<b>287 865</b>	<b>328 892</b>
L. Income tax	<b>71 398</b>	<b>102 828</b>
L.1. Due income tax	103 196	102 488
L.2. Deferred income tax (+/-)	-31 798	340
** <b>Profit or loss net of tax (+/-)</b>	<b>216 467</b>	<b>226 064</b>
*** <b>Profit or loss for the current period (+/-)</b>	<b>216 467</b>	<b>226 064</b>
* <b>Net turnover for the current period</b>	<b>1 413 850</b>	<b>1 295 488</b>

**7.3. Statement of changes in equity for the year ended 31 December 2019  
(in CZK thousand)**

	Share capital	Capital funds	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Profit or loss for the current period	Total equity
<b>Balance at 31 December 2017</b>	<b>232 650</b>	<b>0</b>	<b>0</b>	<b>1 251 074</b>	<b>185 684</b>	<b>1 669 408</b>
Profit shares paid				-64 316	-185 684	-250 000
Profit or loss for the current period					226 064	226 064
<b>Balance at 31 December 2018</b>	<b>232 650</b>	<b>0</b>	<b>0</b>	<b>1 186 758</b>	<b>226 064</b>	<b>1 645 472</b>
Profit shares paid				-23 936	-226 064	-250 000
Profit or loss for the current period					216 467	216 467
<b>Balance at 31 December 2019</b>	<b>232 650</b>	<b>0</b>	<b>0</b>	<b>1 162 822</b>	<b>216 467</b>	<b>1 611 938</b>

**7.4. Cash flow statement for the year ended 31 December 2019 (in CZK thousand)**

	Year ended 31 December 2019	Year ended 31 December 2018	
<b>P.</b>	<b>Opening balance of cash and cash equivalents</b>	<b>30 555</b>	<b>48 411</b>
	<b><i>Cash flows from ordinary activities (operating activities)</i></b>		
<b>Z.</b>	Profit or loss before tax	287 865	328 892
<b>A.1.</b>	Adjustments for non-cash transactions	214 902	107 553
<b>A.1.1.</b>	Depreciation of fixed assets	8 329	7 061
<b>A.1.2.</b>	Change in provisions and reserves	-115 792	-119 648
<b>A.1.3.</b>	Profit/(loss) on the sale of fixed assets	-6 551	-1 383
<b>A.1.4.</b>	Income from profit shares	0	0
<b>A.1.5.</b>	Interest expense and interest income	91 425	103 540
<b>A.1.6.</b>	Adjustments for other non-cash transactions	237 491	117 983
<b>A.*</b>	<b>Net operating cash flow before changes in working capital</b>	<b>502 767</b>	<b>436 445</b>
<b>A.2.</b>	Change in working capital	-14 920	359 272
<b>A.2.1.</b>	Change in operating receivables and other assets	-72 939	257 424
<b>A.2.2.</b>	Change in operating payables and other liabilities	57 375	102 215
<b>A.2.3.</b>	Change in inventories	644	-367
<b>A.2.4.</b>	Change in current financial assets	0	0
<b>A.**</b>	<b>Net cash flow from operations before tax</b>	<b>487 847</b>	<b>795 717</b>
<b>A.3.</b>	Interest paid	-119 889	-130 058
<b>A.4.</b>	Interest received	0	0
<b>A.5.</b>	Income tax paid from ordinary operations	-148 158	-91 854
<b>A.6.</b>	Profit shares received	0	0
<b>A.***</b>	<b>Net operating cash flows</b>	<b>219 800</b>	<b>573 805</b>
	<b><i>Cash flows from investing activities</i></b>		
<b>B.1.</b>	Fixed assets expenditures	-8 042	-11 444
<b>B.2.</b>	Proceeds from fixed assets sold	31 149	1 400
<b>B.3.</b>	Loans and borrowings to related parties	0	0
<b>B.***</b>	<b>Net investment cash flows</b>	<b>23 107</b>	<b>-10 044</b>
	<b><i>Cash flow from financial activities</i></b>		
<b>C.1.</b>	Change in payables from financing	9 170	-331 617
<b>C.2.</b>	Impact of changes in equity	-250 000	-250 000
<b>C.2.1.</b>	Cash increase in share capital	0	0
<b>C.2.2.</b>	Capital payments to partners	0	0
<b>C.2.3.</b>	Other cash contributions made by partners	0	0
<b>C.2.4.</b>	Settlement of loss by partners	0	0
<b>C.2.5.</b>	Payments from capital funds	0	0
<b>C.2.6.</b>	Profit shares paid	-250 000	-250 000
<b>C.***</b>	<b>Net financial cash flows</b>	<b>-240 830</b>	<b>-581 617</b>
<b>F.</b>	<b>Net increase or decrease in cash and cash equivalents</b>	<b>2 077</b>	<b>-17 856</b>
<b>R.</b>	<b>Closing balance of cash and cash equivalents</b>	<b>32 632</b>	<b>30 555</b>

## 7.5. Notes to the financial statements

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## 1. GENERAL FACTS

### 1.1. Establishment and characteristics of the Company

PROFI CREDIT Czech, a.s. (former trade name: Profireal, a.s.) (hereinafter the “Company”) was established by the Memorandum of Association as a joint-stock company on 21 November 1994 and was incorporated by its registration in the Register of Companies administered by the Court in Hradec Králové on 05 December 1994; currently, the Company is registered with the Municipal Court in Prague, Section B, Insert 2892.

The scope of business of the Company is:

- Production, trade and services not listed in Annexes 1 to 3 to the Trade Licensing Act;
- Provision or intermediation of consumer loans.

In 2019, the amount of registered capital remained unchanged and stands at CZK 232,650 thousand (40 shares in the nominal amount of CZK 5,500 thousand and 23 shares in the nominal amount of CZK 550 thousand).

The financial statements of the Company are prepared as of and for the year ended 31 December 2019.

The reporting period corresponds to the calendar year – from 1 January 2019 to 31 December 2019.

The financial statements are general purpose financial statements and have not been prepared for any special purpose, transaction or user. Users should not rely exclusively on these financial statements in making decisions and should undertake other appropriate inquiries before making decisions.

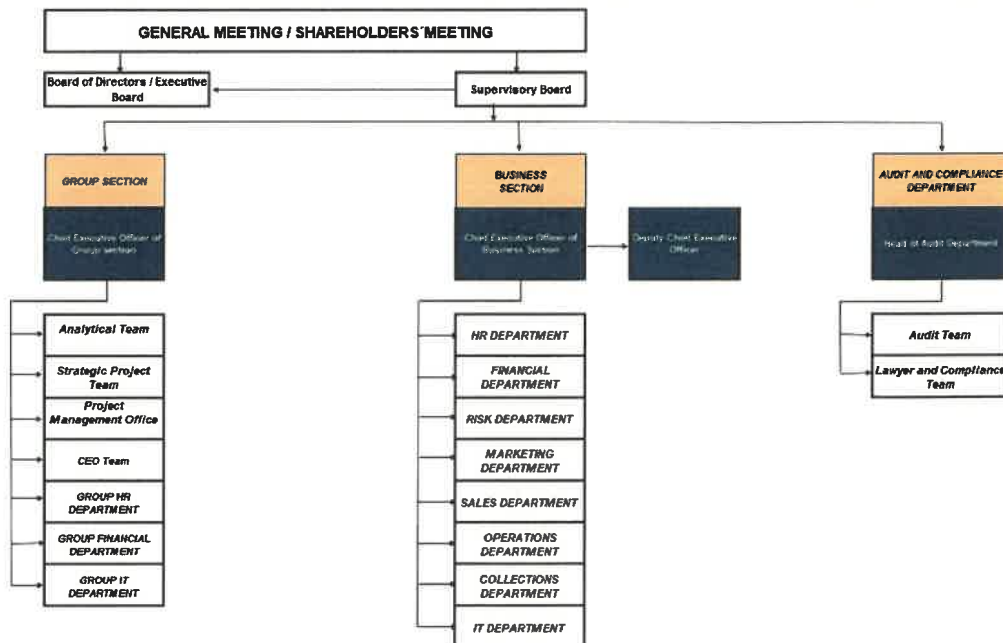
Natural and legal persons with a share in the Company’s registered capital exceeding 20% and their respective shares are named in the following table:

Shareholder	% share in registered capital
PROFIREAL Group SE	100%
<b>Total</b>	<b>100%</b>



## 1.2. Organisational Structure of the Company

### Organizational Structure of PROFI CREDIT Czech, a.s.



## 1.3. Identification of the Group

The Company is a member of the financial group PROFIREAL Group SE and falls within its consolidation group.

## 1.4. Board of Directors and Supervisory Board as of 31 December 2019

	Position	Name
<b>Board of Directors</b>	Chairman	Jaroslav Checinski
	Member	Pavel Klema
	Member	Lukáš Nový
	Member	Petr Florián
<b>Supervisory Board</b>	Chairman	Zdeněk Lhotský
	Member	Ondřej Sotona
	Member	Miroslava Oravcová

## 2. ACCOUNTING METHODS AND GENERAL ACCOUNTING PRINCIPLES

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with Accounting Act 563/1991 Coll., as amended; Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis, the accruals principle, the prudence concept and the going concern assumption.

Data in these financial reports are shown in thousands Czech crowns (CZK thousand).

## 3. OVERVIEW OF SIGNIFICANT ACCOUNTING RULES AND PROCEDURES

### 3.1. Tangible fixed assets

Tangible fixed assets are understood as assets the useful life of which exceeds one year and whose value is higher than CZK 5 thousand in each individual case.

The depreciation schedule (accounting depreciation) is determined on the basis of determination of the period of use of an asset in the Company and the estimated residual cost. The residual cost is the price for which an asset can be sold after it was used.

Monthly depreciation is determined according to the following formula:

$$MO = \frac{PC - ZC}{D}$$

PC	acquisition cost
Z	Residual cost
D	period of use in months
MO	monthly depreciation

Purchased tangible fixed assets are stated at acquisition cost less accumulated depreciation and impairment losses.

Valuation of tangible fixed assets generated internally includes direct costs, indirect costs causally related to the internal generation of the particular asset (production overheads) and related to the period of activity. Sale costs are not included.

Current replacement cost is used to evaluate tangible fixed assets acquired as a gift, fixed assets acquired free of charge based on a contract on purchase of a leased asset (recognised as a corresponding entry on the relevant accumulated depreciation account), fixed assets newly recorded on the accounts (recognised as a corresponding entry on the relevant accumulated depreciation account) and deposited tangible fixed assets.

Technical improvement of each asset exceeding CZK 5 thousand per one tax period increases the acquisition cost of tangible fixed assets.

Acquisition cost of tangible fixed assets, except for plots of land and uncompleted investments, is amortised during the estimated lifetime of the individual asset by the straight-line method.

Assets acquired in the form of a financial lease are depreciated by the lessor.

Technical improvement of leased tangible fixed assets is depreciated by the linear method for the term stipulated by the Act on Income Tax upon the classification of assets in groups.

Profit or loss from the sale or disposal of assets is determined as a difference between revenues from sales and the net book value of assets as of the date of sale and it is recognised in the profit and loss account.

### Provisioning

Net book value of an asset is compared to its value in use. If the carrying amount is higher, provisions are created in the amount of the difference.

### **3.2. Intangible fixed assets**

Intangible fixed assets are assets the useful life of which exceeds one year and whose value in case of start-up costs is higher than CZK 5 thousand in each individual case.

Intangible fixed assets are, inter alia, intangible results of research and development with the useful life exceeding one year, which are activated only in case of use for resale. Intangible results of development, SW and measurable rights generated internally for private consumption are not activated. Valuation is carried out at own cost or current replacement cost, if lower.

Purchased intangible fixed assets are valued at acquisition cost less accumulated depreciation and impairment losses.

Expenditures related to research and development are recognised as an expense in the year when they occurred.

Technical improvement of a particular asset exceeding in aggregate the amount of CZK 5 thousand within a single tax period increases the acquisition cost of intangible fixed assets.

Intangible fixed assets are amortised by the straight-line method on the basis of their estimated lifetime. Most intangible fixed assets are amortised over the period of 5 years.

#### Provisioning

The Company created no provisions for intangible assets.

### **3.3. Non-current financial assets**

Non-current financial fixed assets are mainly loans with maturity exceeding one year, and participating interests. Upon their acquisition, participating interests are valued at acquisition cost.

#### Provisioning

Provisions are created on the basis of a depreciation analysis of loans and participating interests.

### **3.4. Inventory**

Purchased inventory is stated at acquisition cost. The acquisition cost includes the purchase cost and incidental acquisition costs - mainly customs fees, freight and storage charges, commissions, insurance premium and discounts. The Company's inventory includes small advertising and promotional items only.

### **3.5. Receivables**

When incurred, receivables are valued at their nominal value, subsequently reduced by the relevant provisions for doubtful and bad amounts. Receivables acquired for consideration or as a deposit are stated at acquisition cost less provisions for doubtful and bad amounts.

In accordance with the Memorandum, the nominal value of contracts paid out by 31 December 2010 also includes the amount of future proceeds that the Company recognises on the deferred income account (see Note 3.10.).

#### Provisioning

The Company recognises provisions against receivables arising from loan contracts and accrued interest attached to these receivables. The amount of provisions is determined based on an analysis of the recovery of receivables past their due dates in prior years.

The Company estimates future cash flows for individual types of receivables on the basis of historical data. The provision is then recognised as equal to the difference between the amount of the receivable and the made or anticipated payments

### **3.6. Trade payables**

Trade payables are stated at their nominal value.

The Company writes off payables ensuing from unidentifiable received payments older than five years within other financial revenues.

### **3.7. Issued bonds**

The Company recognises issued bonds as a liability from issued bonds in the amount of their nominal value increased by incurred interest expenses. The value of issued bonds is decreased by the value of own bonds.

### **3.8. Credits and loans**

Credits and loans are recognised in their nominal value. Short-term credits/loans also include a part of long-term credits/loans payable within one year from the date of the financial statements. Interests are recorded on an accrual basis and are included in the profit (loss) for the given reporting period.

### **3.9. Reserves**

Reserves are intended to cover payables and expenditure, the nature of which is clearly defined and which are, as of the balance sheet date, likely or certain to be incurred, but which are uncertain as to the amount or the date on which they will arise.

The Company creates reserves for outstanding vacation days of employees, corporate income tax, competitions and the Company Bonus.

Reserves for outstanding vacation days are created on the basis of an analysis of the outstanding vacation days as of the date of the financial statements, and average wage costs including social security and health insurance costs of individual employees.

Reserves for corporate income tax return are constituted on grounds of the payable tax calculation.

The reserve for competitions is recognised based on the competitions that took place in 2019 whose results will not be announced until the following year.

Reserves for the Company Bonus, or the annual company-wide bonuses paid based on the fulfilment of the annual goal, are created based on the employees' gross salary plan.

### **3.10. Deferred income**

Deferred income includes mainly the contractual remuneration from the loans provided until year 2010 including their subsequent rollovers, which is gradually released to income during the term of the loan.

### **3.11. Foreign currency translation**

Accounting operations in foreign currencies carried out during the year are translated at daily exchange rate of the Czech National Bank (ČNB).

As of the date of the financial statements, assets and liabilities denominated in foreign currencies are translated at the exchange rate of the Czech National Bank prevailing on the date the financial statements are prepared.

### **3.12. Finance lease**

A finance lease is the acquisition of a tangible fixed asset such that, over or after the contractual lease term, the ownership title to the asset transfers from the lessor to the lessee; pending the transfer of the title, the lessee makes lease payments to the lessor for the asset that are charged to expenses.

Aggregate amounts related to fixed assets acquired under finance leases are amortised and expensed over the lease period. Aggregate future lease payments are recorded as accounts payable and are reduced as the liability is relieved.

### **3.13. Taxes**

#### **3.13.1. Tax depreciation of fixed assets**

The accelerated depreciation method is used for the calculation of tax depreciations.

#### **3.13.2. Tax payable**

Tax payable for the given reporting period is based on the adjusted tax base that takes into account the income or expense items that are not subject to tax or are taxable in other periods. The Company's liabilities ensuing from taxes payable are calculated using tax rates effective on the date of the financial statements. Tax payable was recognised in the form of a reserve for tax paid.

#### **3.13.3. Deferred tax**

Deferred tax is accounted for using the balance sheet liability method.

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

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset and reported on an aggregate net basis in the balance sheet, except when partial tax assets cannot be offset against partial tax liabilities.

### **3.14. Impairment**

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the greater of the net selling price and the value in use. In assessing the value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is thus reduced to its recoverable amount.

### **3.15. Revenues**

Contractual bonuses are accrued based on the amount of the outstanding portion of the principal and are reported in the line "Other financial revenues". Penalties and default interest are reported in the line "Other operating revenues".

### **3.16. Use of estimates**

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it. However, as evident from the nature of estimates, actual values in the future can differ from these estimates. Key areas with a potential for significant differences between the actual results and the estimates principally include provisions for receivables.



### 3.17. Related parties

A related party is a party related to a particular accounting unit, provided that such party, directly or indirectly, through one or more entities, controls the given accounting unit, is controlled by the accounting unit or is controlled jointly with the given accounting unit (this concerns parent companies, subsidiaries and fellow subsidiaries, or provided that the party is a member of the key management of the given accounting unit or its parent company).

Transactions between related parties represent a transfer of resources, services or liabilities between the related parties regardless of the fact whether prices are charged.

The Company management defined related parties specified in the financial statements and the transactions between them on grounds of the latest available data.

### 3.18. Year-on-year changes in valuation methods, depreciation procedures and accounting methods

No changes were made in valuation methods or depreciation procedures in 2019.

### 3.19. Cash flow statement

The cash flow statement was prepared using the indirect method. Cash equivalents represent short-term liquid assets, which can be easily and readily transferred to a previously known amount in cash. Funds and cash equivalents can be analysed as follows:

	(Data in CZK thousand)	
	31 December 2019	31 December 2018
Cash on hand and cash in transit + valuables	611	1 011
Cash at bank	32 021	29 544
<b>Funds and cash equivalents in total</b>	<b>32 632</b>	<b>30 555</b>

Cash flows from operating, investment or financial activities are provided in the cash flow statement as uncompensated cash flows.

#### 4. ADDITIONAL DATA REGARDING THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

##### 4.1. Fixed assets

##### 4.1.1. Intangible fixed assets

###### Acquisition cost

(Data in CZK thousand)

	Balance at 31 Dec 2017	Additions	Disposals	Balance at 31 Dec 2018	Additions	Disposals	Balance at 31 Dec 2019
Development	4 493	0	0	4 493	0	0	4 493
Software	24 378	7 539	0	31 917	3 745	112	35 550
Other intangible fixed assets	3 541	0	0	3 541	0	0	3 541
Int. fixed assets under const.	3 583	6 377	8 097	1 863	2 162	3 745	280
<b>Total</b>	<b>35 995</b>	<b>13 916</b>	<b>8 097</b>	<b>41 814</b>	<b>5 907</b>	<b>3 857</b>	<b>43 864</b>

###### Accumulated amortisation

(Data in CZK thousand)

	Balance at 31 Dec 2017	Additions	Disposals	Balance at 31 Dec 2018	Additions	Disposals	Balance at 31 Dec 2019
Development	3 323	1 170	0	4 493	0	0	4 493
Software	20 732	1 749	0	22 481	3 472	112	25 841
Other intangible fixed assets	2 143	651	0	2 794	512	0	3 306
<b>Total</b>	<b>26 198</b>	<b>3 570</b>	<b>0</b>	<b>29 768</b>	<b>3 984</b>	<b>112</b>	<b>33 640</b>

###### Net book value

(Data in CZK thousand)

	Balance at 31 Dec 2018	Balance at 31 Dec 2019
Development	0	0
Software	9 436	9 709
Other intangible fixed assets	747	235
Int. fixed assets under const.	1 863	280
<b>Total</b>	<b>12 046</b>	<b>10 224</b>

The Company recognised no provisions against intangible fixed assets in 2019 or 2018.

#### 4.1.2. Tangible fixed assets

##### Acquisition cost

(Data in CZK thousand)

	Balance at 31 Dec 2017	Additions	Disposals	Balance at 31 Dec 2018	Additions	Disposals	Balance at 31 Dec 2019
Land	2 635	0	0	2 635	0	2 635	0
Structures	49 054	1 132	0	50 186	0	42 893	7 293
Tangible movable assets	28 203	5 010	1 736	31 477	4 289	7 417	28 349
- Machinery and equipment	6 894	3 650	1 640	8 904	2 939	2 846	8 997
- Vehicles	19	18	12	25	11	18	18
- Furniture and fixtures	21 290	1 342	84	22 548	1 339	4 553	19 334
Tan. fixed assets under constr.	2 609	0	1 131	1 478	5 413	6 851	40
<b>Total</b>	<b>82 501</b>	<b>6 142</b>	<b>2 867</b>	<b>85 776</b>	<b>9 702</b>	<b>59 796</b>	<b>35 682</b>

##### Accumulated depreciation and provisions

(Data in CZK thousand)

	Balance at 31 Dec 2017	Additions	Disposals	Balance at 31 Dec 2018	Additions	Disposals	Balance at 31 Dec 2019
Structures	23 658	1 096	0	24 754	20 315	43 572	1 497
Tangible movable assets	21 940	2 412	1 736	22 616	3 641	7 415	18 842
- Machinery and equipment	6 614	991	1 640	5 965	1 989	2 846	5 108
- Vehicles	0	12	12	0	18	18	0
- Furniture and fixtures	15 326	1 409	84	16 651	1 634	4 551	13 734
<b>Total</b>	<b>45 598</b>	<b>3 508</b>	<b>1 736</b>	<b>47 370</b>	<b>23 956</b>	<b>50 987</b>	<b>20 339</b>

##### Net book value

(Data in CZK thousand)

	Balance at 31 Dec 2018	Balance at 31 Dec 2019
Land	2 635	0
Structures	25 432	5 796
Tangible movable assets	8 861	9 507
- Machinery and equipment	2 939	3 889
- Vehicles	25	18
- Furniture and fixtures	5 897	5 600
Tan. fixed assets under constr.	1 478	40
<b>Total</b>	<b>38 406</b>	<b>15 343</b>

The Company recognised a provision against buildings in 2008. In 2019, this provision in the amount of CZK 679 thousand was released due to the sale of a property.

In 2019, the Company procured low-value tangible assets at the acquisition cost amounting up to CZK 5 thousand, which were recognised directly on the expense account in the total amount of CZK 365 thousand, and in the total amount of CZK 1,025 thousand in 2018.

#### 4.1.3. Pledged assets

Given that the Company has pledged no tangible or intangible assets since 2014, all information about pledged assets is given in Note 4.3.3 Pledged assets.

#### 4.1.4. Assets acquired through financial leasing

##### Financial leasing with subsequent purchase of the leased asset

(Data in CZK thousand)

Description of item/group of items	Total leasing value	Instalments actually paid in 2018	Instalments actually paid in 2019	Payable in the following years
Passenger cars	48 113	7 985	9 154	15 587
HW equipment	16 625	2 833	2 680	2 746
<b>Total</b>	<b>64 738</b>	<b>10 818</b>	<b>11 834</b>	<b>18 333</b>

The data exclude value added tax provided that the tax can be claimed as a deduction at the input.

#### 4.2. Receivables

##### 4.2.1. Long-term receivables

Long-term net receivables as of 31 December 2019 amounted to CZK 770,241 thousand (provision of CZK 24,372 thousand). Long-term net receivables as of 31 December 2018 amounted to CZK 740,290 thousand (provision of CZK 27,703 thousand). These items include long-term receivables ensuing from credits and loans with maturity exceeding one year at the date of the preparation of financial statements.

#### 4.3. Short-term receivables

##### 4.3.1. Aging of trade receivables

(Data in CZK thousand)

Year	Category	Unspecified	Due	Overdue	Total
2019	Gross	919 338	594 924	6 201 465	7 715 707
	Provisions.	635 688	26 768	4 537 630	5 200 087
	Net	283 650	568 134	1 663 835	2 515 620
2018	Gross	984 980	609 289	6 326 362	7 920 631
	Provisions.	720 854	27 493	4 552 593	5 300 940
	Net	264 126	581 796	1 773 769	2 619 691

Interest on contractual penalties cannot be classified within the particular categories in the table as there is no effective date before the Court issues its decision (this interest is therefore included in the Unspecified category).

As of 31 December 2019, receivables (long-term and short-term) serving as collateral for accepted bank loans amounted to CZK 712,660 thousand, and for accepted non-bank loans to CZK 281,340 thousand.

As of 31 December 2018, receivables (long-term and short-term) serving as collateral for accepted bank loans amounted to CZK 503,615 thousand, and for accepted non-bank loans to CZK 1,647,567 thousand.

Changes in provisions for receivables can be classified as follows:

	(Data in CZK thousand)	
	2019	2018
Opening balance as of 1 January	5 300 940	5 429 440
Creation	200 030	187 114
Use	-300 883	-315 614
<b>Closing balance as of 31 December</b>	<b>5 200 087</b>	<b>5 300 940</b>

#### 4.3.2. Receivables from related parties

##### Short-term trade receivables

	(Data in CZK thousand)	
Company	Balance at 31 Dec 2019	Balance at 31 Dec 2018
PGJT B.V.	910	2 716
PROFI CREDIT Bulgaria EOOD	908	667
PROFI CREDIT Polska S.A.	1 163	3 703
PROFI CREDIT Slovakia, s.r.o.	382	469
Profi Consulting s.r.o.	47	39
PROFIREAL Group SE	1 190	2 830
LLC MCC PROFIREAL	1 976	1 716
Silversouth, a.s.	0	11
Southstream, a.s.	5	11
Strongwest, a.s.	0	11
TH Real, a.s.	5	19
FLEXI FINANCE ASIA INC.	1 421	4 975
DITMR Management SICAV p.l.c.	163	39
<b>Total short-term receivables from related parties</b>	<b>8 170</b>	<b>17 206</b>

The Company provided no loans to related parties in 2018 and 2019.

#### 4.3.3. Pledged assets

##### 2019

	(Data in CZK thousand)		
Description of assets	Gross value	Description, scope and purpose of pledge/ Easement	Value of liability secured
Receivables	191 655	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company.	98 013
Receivables	281 340	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	170 000
Receivables	360 509	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	184 559
Receivables	160 496	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	80 385
<b>Total</b>	<b>994 000</b>		<b>532 957</b>

2018

(Data in CZK thousand)

Description of assets	Gross value	Description, scope and purpose of pledge/ Easement	Value of liability secured
Receivables	1 506 789	Set of selected receivables was pledged in favour of a creditor in order to secure a credit received by the Company.	219 900
Accounts	8 500	Balances on Collection and Blocked Accounts were pledged to secure a credit received by the Company	
Receivables	141 043	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	75 442
Receivables	132 279	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	80 000
Receivables	360 686	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	59 573
Receivables	1 885	Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company	485
<b>Total</b>	<b>2 151 182</b>		<b>435 400</b>

#### 4.4. Tax receivables

Tax receivables of CZK 90,829 thousand (CZK 45,411 thousand as of 31 December 2018) primarily include prepayments made for corporate income tax.

#### 4.5. Deferred expenses

As of 31 December 2019, total deferred costs amounted to CZK 32,759 thousand (CZK 31,164 thousand as of 31 December 2018).

The most significant item includes deferred expenses related to finance leasing of cars and IT technology, amounting to CZK 24,016 thousand as of 31 December 2019 (CZK 22,435 thousand as of 31 December 2018). Other significant deferred expenses include the fee for credit provision amounting to CZK 83 thousand (2018: CZK 1,568 thousand).

#### 4.6. Equity

As of 31 December 2019, equity amounts to CZK 1,611,938 thousand (CZK 1,645,472 thousand as of 31 December 2018). The Company's management anticipates paying out the profit of 2019 in the form of dividend.

#### 4.7. Reserves

(Data in CZK thousand)

	Reserves for untaken leave	Income tax reserve	Other reserves	Reserves in total
Balance as of 31 Dec 2018	3 223	102 363	37 297	142 883
<b>Balance as of 31 Dec 2019</b>	<b>3 109</b>	<b>103 186</b>	<b>26 482</b>	<b>132 777</b>

## 4.8. Liabilities

### 4.8.1. Long-term trade payables

(Data in CZK thousand)		
Type of liability	Balance as of 31 Dec 2019	Balance as of 31 Dec 2018
Commission to staff providing credits	60 554	63 522

### 4.8.2. Issued bonds

In December 2012, the Company issued book-entry bonds in the total amount of CZK 3,000,000 thousand (the nominal value of each particular bond is CZK 1).

In 2019, the Company placed a total of 68,550 thousand bonds with the interest rate of 5.5% p.a. and 54,000 thousand bonds with the interest rate of 6.2% p.a.

In 2018, the Company placed a total of 185,700 thousand bonds with the interest rate of 5.5% p.a. and 74,500 thousand bonds with the interest rate of 6.2% p.a.

As of 31 January 2019 and 31 January 2018, The Company did not place the bonds on the regulated market of the European Union for trading purposes.

### 4.8.3. Other long-term payables

(Data in CZK thousand)				
Type of liability	Currency	Balance as of 31 Dec 2019	Balance as of 31 Dec 2018	Form of security 2019
Loan from a non-banking entity	CZK	0	110 298	Bill of exchange
Payables from leasing	CZK	12 451	9 883	Pledged receivables Bill of exchange
<b>Total</b>		<b>12 451</b>	<b>120 181</b>	

Long-term payables include payables with maturity exceeding one year on the date of the financial statements.

## 4.9. Short-term trade and other payables

In other short-term payables, the Company does not recognise a short-term part of the credit obtained from a non-banking entity due to its repayment (CZK 121,613 thousand as of 31 December 2018). The Company recognises a payable arising from leasing in the amount of CZK 5,883 thousand (CZK 6,234 thousand as of 31 December 2018).

## Aging of short-term trade payables

(Data in CZK thousand)

Year	Category	Due	Overdue	Total
2019	Short-term	93 385	8 640	102 025
2018	Short-term	74 937	10 012	84 949

## 4.9.1. Short-term related party payables

(Data in CZK thousand)

Company	Balance as of 31 Dec 2019	Balance as of 31 Dec 2018
PROFIREAL Group SE	0	301
Profi Credit Polska S.A.	9	0
Profi Consulting s.r.o.	105	52
Profi Funding B.V.	0	0
Silversouth, a.s.	0	0
<b>Total short-term related party payables</b>	<b>114</b>	<b>353</b>

## 4.10. Payables to credit institutions

## 4.10.1. Long-term payables to credit institutions

2019

(Data in CZK thousand)

Bank	Balance as of 31 Dec 2019	Form of collateral
Banking entity	1 667	Bill of exchange
Banking entity	39 583	Bill of exchange
		Pledged receivables
<b>Total</b>	<b>41 250</b>	

2018

(Data in CZK thousand)

Bank	Balance as of 31 Dec 2018	Form of collateral
Banking entity	8 833	Bill of exchange
Banking entity	20 834	Bill of exchange
		Pledged receivables
<b>Total</b>	<b>29 667</b>	

## 4.10.2. Short-term payables to credit institutions, short-term financial assistance

2019

(Data in CZK thousand)

Creditor	Balance as of 31 Dec 2019	Form of collateral
Non-banking entity	170 000	Bill of exchange
		Pledged receivables

Bank	Balance as of 31 Dec 2019	Form of collateral
Banking entity	7 167	Bill of exchange
Banking entity	184 559	Bill of exchange
		Pledged receivables
Banking entity	58 429	Bill of exchange
Banking entity	80 385	Bill of exchange
		Pledged receivables
<b>Total</b>	<b>330 540</b>	



2018

(Data in CZK thousand)		
<b>Creditor</b>	<b>Balance as of 31 Dec 2018</b>	<b>Form of collateral</b>
Non-banking entity	80 000	Bill of exchange Pledged receivables
<b>Bank</b>	<b>Balance as of 31 Dec 2018</b>	<b>Form of collateral</b>
Banking entity	12 667	Bill of exchange
Banking entity	59 573	Bill of exchange Pledged receivables
Banking entity	1 960	Bill of exchange
Banking entity	54 609	Bill of exchange Pledged receivables
Banking entity	484	Bill of exchange Pledged receivables
<b>Total</b>	<b>129 293</b>	

#### 4.11. Estimated payables - short-term

As of 31 December 2019, estimated payables – short-term amount to CZK 10,790 thousand (CZK 10,228 thousand as of 31 December 2018) and predominantly include estimated interest expense.

#### 4.12. Deferred income and accrued expenses

As of 31 December 2019, deferred income amounts to CZK 151 thousand (CZK 1,636 thousand as of 31 December 2018) and is represented by deferred contractual remuneration relating to consumer loans disbursed before 2011 which is gradually released to income.

As of 31 December 2019, accrued expenses amount to CZK 16,803 thousand (CZK 19,067 thousand as of 31 December 2018) and are represented mainly by commissions paid to the staff providing credits in the amount of CZK 13,943 thousand (CZK 15,523 thousand as of 31 December 2018).

### 4.13. Income tax

#### 4.13.1. Deferred tax

The deferred tax liability can be analysed as follows:

	(Data in CZK thousand)	
	Balance as of 31 Dec 2019	Balance as of 31 Dec 2018
<b>Tax liability</b>		
Difference between accounting and tax residual value	5 986	24 693
Balance - customers – contractual fines	1 853 200	2 043 538
Balance - customers – default interest	1 097 179	1 188 972
<b>Deferred tax liability - base in total</b>	<b>2 956 365</b>	<b>3 257 203</b>
<b>Tax asset</b>		
Creation of provisions for client contractual fines	1 532 069	1 919 358
Creation of provisions for client default interest	804 822	687 064
Future creation of tax provisions	155 530	90 481
Reserve for unused vacation days and other reserves	29 590	40 516
<b>Deferred tax asset - base in total</b>	<b>2 522 011</b>	<b>2 737 419</b>
<b>Resultant base of deferred tax</b>	<b>434 353</b>	<b>519 784</b>
Deferred tax - liability (2018: 19%, 2019: 19%)	82 527	98 759
Deferred tax already recognised	98 758	98 418
Deferred taxes reduced by contracts written off in 2020	15 567	0
<b>Deferred tax to be recognised in the profit and loss account</b>	<b>- 31 798</b>	<b>340</b>

#### 4.13.2. Tax charge

The amount of tax can be compared to the profit according to the profit and loss account as follows:

	(Data in CZK thousand)	
	Balance as of 31 Dec 2019	Balance as of 31 Dec 2018
Profit before tax	287 865	328 892
Income tax rate	19%	19%
Tax under local income tax rate	54 694	62 489
Tax impact of non-deductible costs/revenues	46 264	39 874
Withholding tax for current reporting period	88	125
Tax payable for current reporting period	103 196	102 488
Changes in deferred tax liability	-31 798	340
<b>Total income tax for regular activities</b>	<b>71 398</b>	<b>102 828</b>

### 4.14. Sales of services

	(Data in CZK thousand)					
	Period ended 31 Dec 2019			Period ended 31 Dec 2018		
	Domestic	Foreign	In total	Domestic	Foreign	In total
Revenues - sale of services (consulting services)	5 178	29 977	35 155	0	54 711	54 711
Revenues - provided trademarks	0	3 827	3 827	0	3 507	3 507
Revenues - renting of real estate	598	0	598	915	0	915
Revenues - other	119	352	471	128	0	128
<b>Total sales of services</b>	<b>5 895</b>	<b>34 156</b>	<b>40 051</b>	<b>1 043</b>	<b>58 218</b>	<b>59 261</b>

**4.15. Transactions with related parties****4.15.1. Revenues from transactions with related parties**

2019

(Data in CZK thousand)

Entity	Other revenues	Services	Total
FLEXI FINANCE ASIA INC.	0	315	315
Profi Consulting s.r.o.	66	0	66
PROFI CREDIT Bulgaria, EOOD	340	6 371	6 711
PROFI CREDIT Polska S.A.	2 791	11 976	14 767
PROFI CREDIT Slovakia, s.r.o.	877	2 785	3 662
PROFIREAL Group SE	0	4 492	4 492
LLC MCC PROFIREAL	0	4 353	4 353
Silversouth, a.s.	18	0	18
Southstream, a.s.	18	0	18
Strongwest, a.s.	18	0	18
TH Real, a.s.	0	0	0
<b>Total</b>	<b>4 128</b>	<b>30 292</b>	<b>34 420</b>

2018

(Data in CZK thousand)

Entity	Other revenues	Services	Total
FLEXI FINANCE ASIA INC.	0	10 121	10 121
Profi Consulting s.r.o.	72	0	72
PROFI CREDIT Bulgaria, EOOD	424	6 661	7 085
PROFI CREDIT Polska S.A.	2 205	24 988	27 193
PROFI CREDIT Slovakia, s.r.o.	877	3 425	4 302
PROFIREAL Group SE	0	2 942	2 942
LLC MCC PROFIREAL	0	3 682	3 682
Silversouth, a.s.	20	0	20
Southstream, a.s.	20	0	20
Strongwest, a.s.	20	0	20
TH Real, a.s.	86	0	86
<b>Total</b>	<b>3 724</b>	<b>51 819</b>	<b>55 543</b>

All revenues from transactions with related parties were obtained at arm's length prices.

**4.15.2. Purchases with related parties**

2019

(Data in CZK thousand)

Entity	Services	Other expenses	Total
PROFI CREDIT Polska S.A.	702	0	702
Profi Consulting s.r.o.	665	0	665
PROFI CREDIT Slovakia, s.r.o.	0	88	88
PROFIREAL Group SE	0	298	298
Silversouth, a.s.	0	0	0
Profi Funding B.V.	0	13 130	13 130
<b>Total</b>	<b>1 367</b>	<b>13 516</b>	<b>14 883</b>

2018

(Data in CZK thousand)

Entity	Services	Other expenses	Total
PROFI CREDIT Polska S.A.	5	0	5
Profi Consulting s.r.o.	718	0	718
PROFI CREDIT Slovakia, s.r.o.	0	125	125
PROFIREAL Group SE	0	4 980	4 980
Silversouth, a.s.	0	11	11
Profi Funding B.V.	0	16 142	16 142
<b>Total</b>	<b>723</b>	<b>21 258</b>	<b>21 981</b>

#### 4.15.3. Other transactions with related parties

In 2017, the Company was provided with a loan from PROFİ FUNDİNG B.V. The loan was provided pursuant to the Loan Contract concluded on 12 September 2017, which was assigned by the original creditor to PROFİ FUNDİNG B.V. on 7 November 2017. It bore the interest rate of 19% p.a. and the line of credit was determined at CZK 1,200 million. The loan contract was duly repaid and legally terminated in March 2018. As of 31 December 2019, interest amounted to CZK 0; as of 31 December 2018, interest amounted to CZK 6,881 thousand. On 19 September 2018, the Company as the debtor concluded a new loan contract with PROFİ FUNDİNG B.V. as the creditor. This loan contract is still active. The loan facility was set to CZK 1,200 million and the interest rate is 11.51% p.a. The balance of the drawn and unpaid principal pursuant to this loan contract amounts to CZK 0 as of 31 December 2019; interest amounts to CZK 1,055 thousand as of 31 December 2019. The loan contract was fully repaid in 2019.

#### 4.16. Consumed purchases

	(Data in CZK thousand)	
	Period ended 31 Dec 2019	Period ended 31 Dec 2018
Material consumption	6 970	9 415
Energy consumption	3 312	3 746
<b>Total consumed purchases</b>	<b>10 282</b>	<b>13 161</b>

#### 4.17.

#### 4.18. Services

	(Data in CZK thousand)	
	Period ended 31 Dec 2019	Period ended 31 Dec 2018
Repairs and maintenance	3 766	2 581
Travel expenses	2 116	3 176
Costs of representation	6 680	7 988
Telephone, fax, Internet, postage	9 891	9 236
Consultancy services and audit	12 531	7 928
Rent	16 453	17 082
Leasing	11 868	9 784
Intermediation of employees	636	1 037
Notary and legal services	25 863	19 672
Advertisements, commercials	18 153	19 848
Language translations	69	346
Other services	51 547	45 895
<b>Total</b>	<b>159 573</b>	<b>144 573</b>

#### 4.19. Other operating income

	(Data in CZK thousand)	
	Period ended 31 Dec 2019	Period ended 31 Dec 2018
Contractual penalties and interest on overdue payment	221 597	181 362
Other operating income	56 332	43 789
<b>Total</b>	<b>277 929</b>	<b>225 151</b>

In 2019, other operating income primarily consists of income predominantly composed of costs of legal representation related to the collection of receivables from debtors, transferred by the Company to its debtors in the total amount of CZK 19,171 thousand.

In 2018, other operating income primarily consists of income predominantly composed of costs of legal representation related to the collection of receivables from debtors, transferred by the Company to its debtors in the total amount of CZK 12,448 thousand.

#### 4.20. Other operating expenses

	(Data in CZK thousand)	
	Period ended 31 Dec 2019	Period ended 31 Dec 2018
Gifts	682	810
Other penalties and sanctions	7	48
Write-off of receivables and assigned receivables	419 458	338 999
Deficits and damages in operation	19	60
Other operating costs	64 873	44 995
<b>Total</b>	<b>485 039</b>	<b>384 912</b>

In 2019, the Company wrote off receivables in the amount of CZK 96,419 thousand based on an ineffective result of distraint proceedings and receivables in the amount of CZK 322,812 thousand based on verdicts of insolvency proceedings.

In 2018, the Company wrote off receivables in the amount of CZK 14,693 thousand based on an ineffective result of distraint proceedings and receivables in the amount of CZK 324,266 thousand based on verdicts of insolvency proceedings.

#### 4.21. Other financial revenues

	(Data in CZK thousand)	
	Period ended 31 Dec 2019	Period ended 31 Dec 2018
Exchange rate gains	0	108
Other financial revenues	1 064 722	1 009 568
<b>Total</b>	<b>1 064 722</b>	<b>1 009 676</b>

Other financial revenues include regular remunerations for the provision of credits or loans (main revenues of the Company).

#### 4.22. Interest expenses

	(Data in CZK thousand)	
	Period ended 31 Dec 2019	Period ended 31 Dec 2018
Interest on bank credits	19 959	8 732
Other interest payable to other creditors	70 411	84 400
Intercompany interest	1 055	10 408
<b>Total</b>	<b>91 425</b>	<b>103 540</b>

## 5. EMPLOYEES, COMPANY MANAGEMENT AND STATUTORY BODIES

### 5.1. Staff costs and number of employees

The average number of employees and Company management members in 2019 and 2018 is as follows:

#### 2019

	(Data in CZK thousand)	
	Number	Personnel costs in total
Employees	292	235 463
Company management	16	45 620
<b>Total</b>	<b>308</b>	<b>281 083</b>

#### 2018

	(Data in CZK thousand)	
	Number	Personnel costs in total
Employees	222	197 728
Company management	14	33 527
Employees	<b>236</b>	<b>231 255</b>

Total salary costs include remunerations paid to members of the Company's statutory bodies, including members of the Supervisory Board, in the amount of CZK 24,207 thousand and CZK 14,711 thousand in 2019 and 2018, respectively. The number of employees is based on the average headcount. The term "Company management" refers to the Company's top management.

### 5.2. Provided loans, credits or other performance

In 2019 and 2018, members of the Board of Directors and Supervisory Board received the following remuneration in addition to their basic salaries:

#### 2019

	(Data in CZK thousand)	
	Board of Directors	Supervisory Board
Remuneration	19 455	185
Cars / other movable and immovable items that might be used for private purposes (amounts increasing the employees' tax base)	1 136	0
<b>Total</b>	<b>20 591</b>	<b>185</b>

#### 2018

	(Data in CZK thousand)	
	Board of Directors	Supervisory Board
Remuneration	14 546	165
Cars / other movable and immovable items that might be used for private purposes (amounts increasing the employees' tax base)	593	153
<b>Total</b>	<b>15 139</b>	<b>318</b>

## **6. CONTINGENT LIABILITIES AND OFF BALANCE SHEET COMMITMENTS**

The Company reports no off balance sheet commitments and is not aware of any potential losses.

### **Collateral acceptances issued**

The Company has issued blank bills of exchange in order to secure credits received from providers of bank and non-bank credits. An overview of secured liabilities is provided in Note 4.10.

### **Litigations**

The Company is currently involved in no significant passive legal dispute.

## **7. POST BALANCE SHEET EVENTS**

- 1) On 19 March 2020, pursuant to the resolution of the sole shareholder, the number of members of the Supervisory Board rose to 5. Marek Moudrý was named the fifth member of the Supervisory Board.
- 2) At the time of publication of these financial statements, the situation regarding the COVID-19 disease is quickly evolving; thus, the Company's management is currently unable to reliably assess the potential impacts of these events on the Company. The economic impacts will depend on the intensity and length of the epidemic phase of the COVID-19 spread and on the nature of the legislative measures in the area of consumer loans. However, due to the fact that the legislative measures are yet to be passed by the Senate, the overall impact cannot be assessed at this time. The Company's management closely monitors and analyses potential impacts of COVID-19 and takes all possible steps to mitigate any negative impacts on the Company and its employees. Any negative impacts or losses will be included in the accounting books and the financial statements for 2020.

The management of the Company considered the potential impacts of the COVID-19 pandemic on its activities and concluded that it has no significant effect on the Company's ability to continue as a going concern. The consolidated financial statements for the year ended 31 December 2019 were prepared in this respect.

## **8. REPORT ON RELATIONS BETWEEN THE CONTROLLING ENTITY AND CONTROLLED ENTITY AND BETWEEN THE CONTROLLED ENTITY AND ENTITIES CONTROLLED BY THE SAME CONTROLLING ENTITY**

**for the reporting period from 1 January 2019 to 31 December 2019**

### **(Report on Relations)**

This Report on Relations was prepared pursuant to Section 82 of Act No. 90/2012 Coll., on Business Corporations and Cooperatives (the Act on Business Corporations), as amended (the “Act on Business Corporations”).

**PROFI CREDIT Czech, a.s.**, with registered office at Klimentská 1216/46, Nové Město, 110 00 Prague 1, Company ID: 61 86 00 69, registered on 05 December 1994 in the Register of Companies administered by the Municipal Court in Prague, Section B, Insert 2892 (hereinafter the “Company”), is a member the PROFIREAL Group and is engaged in the provision of consumer credits.

The Company has a sole shareholder, i.e. **PROFIREAL Group SE**, with registered office at **Klimentská 1216/46, Nové Město, 110 00 Prague 1**, which is the Company’s controlling entity having a decisive influence on managing the Company. In relation to this shareholder, the Company is an entity controlled through decisions made at the General Meeting.

Other parties directly controlled by the controlling entity are **PROFI CREDIT Bulgaria EOOD**, with registered office at 49 Bulgaria Blvd., 1404 Sofia; **PROFI CREDIT POLSKA S.A.**, with registered office at Browarna 2, 43-300 Bielsko-Biala; **PROFI CREDIT Poland Sp. z o.o.**, with registered office at Browarna 2, 43-300 Bielsko-Biala; **PROFIDEBT Bulgaria EOOD**, with registered office at 49 Bulgaria Blvd., 1404 Sofia; **PROFI Consulting s.r.o.**, with registered office at Pernštýnské nám. 80, 530 02 Pardubice - Staré Město; **PROFI Investment BG B.V.**, with registered office at Prinses Margrietplantsoen 88, 2595 BR, The Hague; **PROFI Funding B.V.**, with registered office at Prinses Margrietplantsoen 88, 2595 BR, The Hague.



Other parties indirectly controlled by the controlling entity are **FLEXI FINANCE ASIA INC.**, with registered office at 3rd Floor, Right Wing CIFIC Tower, NRA, Cebu City, Philippines 6000; **VETTORE ENTERPRISES INC.**, with registered office at 3rd Floor, Right Wing CIFIC Tower, NRA, Cebu City, Philippines 6000; and **PGJT B.V.**, with registered office at Prinses Margrietplantsoen 88, 2595 BR, The Hague. In addition, a party with external equity participation indirectly controlled is **LLC MCC PROFIREAL**, with registered office at Ligovsky prospect Office 266, 196084 Saint-Petersburg.

Other parties related to the controlling entity are: DTMR Management SICAV p.l.c., Registered Office, Vision Exchange Building, Territorials Street, Mriehel, Birkirkara, BKR 3000, Southstream Malta Ltd., Registered Office, Vision Exchange Building, Territorials Street, Mriehel, BKR 3000, XEVA MEZZANINE FINANCE LTD, Kiriakou Matsi, 16, Eagle House, 3rd Floor, 1082, Nicosia, PROFI CREDIT Slovakia, s.r.o., with its registered office at Pribinova 25, 824 96 Bratislava, Southstream, a.s., with registered office at Pernštýnské nám. 80, 530 02 Pardubice - Staré Město, Silversouth, a.s., with registered office at Pernštýnské nám. 80, 530 02 Pardubice - Staré Město, Strongwest, a.s., with registered office at Pernštýnské nám. 80, 530 02 Pardubice - Staré Město, and TH Real, a.s. with registered office at Thunovská 192/27, 118 00 Prague 1 – Malá Strana.

During the period concerned, i.e. from 1 January 2019 to 31 December 2019, PROFIT CREDIT Czech, a.s. paid out profit shares amounting to CZK 250,000 thousand to the controlling entity, i.e. PROFIREAL Group SE. During the reporting period concerned, no other acts were performed at the instigation or in the interest of the controlling entity or entities controlled by the controlling entity in relation to assets exceeding 10% of the Company's equity as determined according to the most recent set of financial statements.

**Overview of agreements concluded between the Company and PROFIREAL Group SE or between entities controlled by the controlling entity:**

In the reporting period 2019, the Company performed the following agreements concluded **with PROFIREAL Group SE** as an entity controlling the Company:

General agreement for consultancy services II. dated 21 April 2008

General credit agreement no. PCT/PG/11/2011 dated 16 November 2011, as amended by later amendments

Remuneration agreement for the guarantee Dairewa IV dated 18 February 2016

The following agreements were concluded or performed by the Company and other parties controlled by the controlling entity until 31 December 2019:

**with PROFI CREDIT Sp. z o.o., whose legal successor is Profi Credit Polska S.A. as of 26 February 2015**

Licence agreement for use of a trademark dated 18 December 2008, as amended by later amendments

General agreement for consultancy services dated 15 January 2006, as amended by later amendments

General agreement for services related to the operation and development of MIS dated 1 August 2010 as amended by later amendments

Car lease agreement dated 24 September 2019

Car lease agreement dated September 2019

**with PROFI CREDIT Bulgaria EOOD**

Licence agreement for use of a trademark dated 22 December 2008, as amended by later amendments

General agreement for consultancy services dated 15 January 2006, as amended by later amendments

General agreement for services related to the operation and development of MIS dated 26 May 2010 as amended by later amendments

**with PROFI FUNDING B.V.**

The loan contract dated 19 September 2018

**with PROFI Consulting, s.r.o.**

Agreement of lease non-residential premises dated 4 September 2001

**with LLC MCC PROFIREAL**

IT service agreement dated 31 March 2013

Master service agreement dated 1 January 2014

**with PROFI CREDIT Slovakia, s.r.o.**

General agreement for consultancy services dated 31 December 2014

General agreement for services related to the operation and development of MIS dated 1 February 2010, as amended by later amendments

Assignment contract for the provision of Collection Call Centre services dated 1 October 2018

Licence agreement for use of a trademark dated 9 February 2009, as amended by later amendments

**with Southstream, a.s.**

Agreement of lease non-residential premises dated 1 January 2009

**with Silversouth, a.s.**

Agreement of lease non-residential premises dated 1 January 2009

**with Strongwest, a.s.**

Agreement of lease non-residential premises dated 1 January 2009

The above-mentioned agreements were concluded in compliance with the applicable legal regulations. The agreements were concluded for prices and under conditions customary in business relations in the given place and time. The Company suffered no detriment as a result of the conclusion of the aforesaid agreements.

The Company has assumed a key role in PROFIREAL Group SE chiefly as a result of providing the other companies with the trademark PROFI CREDIT and consultancy services, along with the effective management of cash flows within the whole Group.

In the relations between the aforesaid parties, advantages prevail owing to the membership in the internationally operating PROFIREAL Group SE. The most important advantages include: unified conceptual management and unified policy designed for business activities, shared know-how, methodology, control mechanisms and collaboration between individual member companies. The long-term collaboration, thorough knowledge of the given sphere and quality of services provided by PROFIREAL Group SE all contribute to reaffirming the trust in the market of consumer credits. The Company suffered no detriment from the above relations.

In Prague on 31 March 2020



Ing. Pavel Klema

Member of the Board of Directors



Ing. Lukáš Nový

Member of the Board of Directors

## 9. CONTACTS

**Trade name of the Company:**

PROFI CREDIT Czech, a.s.

**Registered office:**

Klimentská 1216/46

Nové Město

110 00 Prague 1

**Mailing address:**

nábřeží Závodu míru 2738-9

530 02, Pardubice

**Legal form:**

joint-stock company [akciová společnost]

**Company Identification Number:**

61860069

**Tax Identification Number:**

CZ61860069

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