



PROFI CREDIT

Profireal Group

ANNUAL REPORT

2021

PROFI CREDIT Czech, a.s.

Selected Indicators of PROFIT CREDIT CZECH, a.s.

| Loans Provided (Production) | 2021 | 2020 | 2019 |
|---|-------------|-------------|-------------|
| Number of loans provided | 11 730 | 8 109 | 18 954 |
| Nominal value of loans provided (in CZK ths)* | 1 568 848 | 900 742 | 2 387 989 |
| Disbursed in total (in CZK ths) | 660 128 | 371 948 | 893 955 |
| Credit for employees – share in total production | 94.73 % | 83.90 % | 80.28 % |
| Loans for business persons – share in total production | 5.27 % | 16.10 % | 19.72 % |

Human Resources**

| | | | |
|------------------------------------|-----|-----|-----|
| Number of external credit advisors | 129 | 172 | 303 |
| Number of external collectors | 37 | 37 | 37 |
| Number of employees | 128 | 133 | 251 |

Financial Indicators (in CZK ths)***

| | | | |
|------------------------|-----------|-----------|-----------|
| Total assets | 2 746 510 | 2 958 468 | 3 498 877 |
| Total revenues | 998 377 | 1 233 562 | 1 413 850 |
| Total costs | 763 546 | 1 031 350 | 1 197 383 |
| Profit before taxation | 262 074 | 259 123 | 287 865 |
| Income tax**** | 27 243 | 56 911 | 71 398 |
| Profit after taxation | 234 831 | 202 212 | 216 467 |

* 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 the Philippines.

The parent company of the Group is PROFIREAL Group SE. The parent company's registered office has been in the Czech Republic. The Group has concerned itself with 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 2,617,200 loans and credits, including revolving loans. Of the overall number of loans and credits provided, the share in the Czech Republic stands at 19.42%.

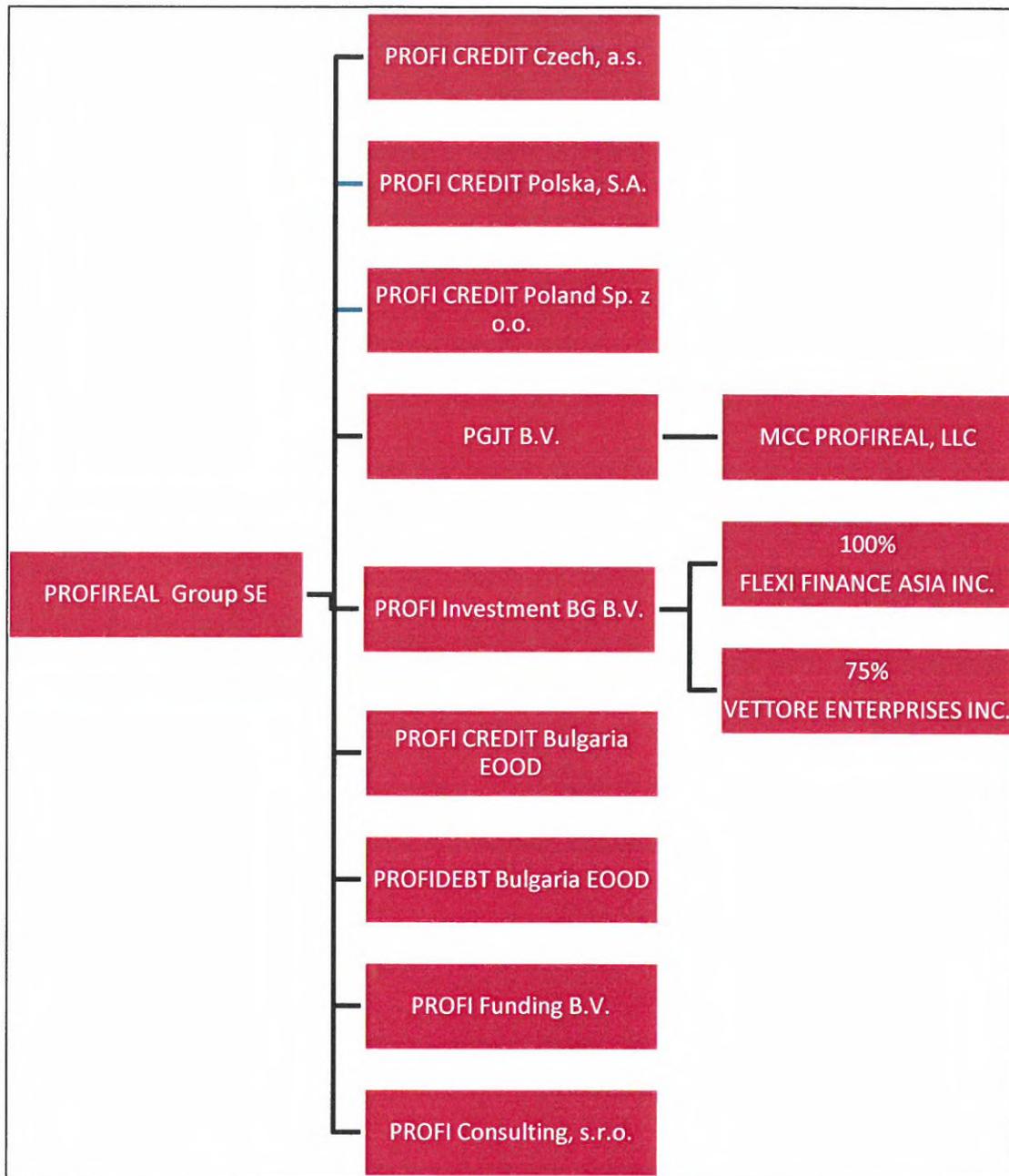
The volume of credits in PROFI CREDIT Czech increased year-on-year by 78%. The nominal value of loans and credits provided in 2021 by PROFI CREDIT exceeded the CZK 3.5 billion mark.

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



Organisational structure of the PROFIREAL Group



2. A WORD OF INTRODUCTION FROM THE CHIEF EXECUTIVE

Ladies and Gentlemen,

Allow me to briefly describe 2021 in terms of the main events in our Company.

Last year, I dared to assess our work in transforming PROFIT CREDIT during the pandemic as successful and well performed. I believed that this transformation would lead to the growth of our business and the achievement of the goals we had set for ourselves. One year has passed and I can now confirm unequivocally that I was not wrong in this regard and in 2021 we have once again confirmed that the decisions we made were the right ones. Although this year was also massively affected, particularly in its first half, by the ongoing COVID-19 pandemic, we were already prepared for this thanks to the Company's transformation and the whole situation did not have an adverse impact on the achievement of our goals, which paid off for us in the second half of the year.

However, the loan business in the Czech Republic started to change in a way towards the end of 2021. This was mainly due to the intervention of the Czech National Bank in its efforts to reduce rising inflation. The rise in the 2W repo rate from 0.25% to 3.75% (effective as of 31 December 2021) and its further increase from the beginning of 2022 to 4.50% made bank loans in particular significantly more expensive and these thus became unaffordable for some people not only due to the price. This situation may favour non-bank providers and increase demand for our products. On the other hand, both the increase in the Czech National Bank rates and rising inflation have an adverse impact on the costs of all similar companies.

Thanks to product changes in the past year and the streamlining of all our processes, especially in contactless contracting, we did not have to significantly adjust our offer of loans and other services in 2021. Naturally, work on the ideal consumer loan setup is perpetual, which is why we now also offer clients loans of up to CZK 250,000 with a four-year maturity, thus reflecting the inflation and needs of consumers and businesses.

In addition to credit offers, we successfully offer clients the option of insuring their credits, which again fits in the sense of providing secure loans. That is why the "Insured Loan" –

Pojištěná půjčka – has remained our main brand symbolising this concept. In addition to the Insured Loan, we also emphasise our online product, namely the *Razdva půjčka* (“RazDva Loan”), which will particularly satisfy clients who need a quick and easy loan. As our third product, we offer a business loan which is primarily targeted to small business and self-employed persons.

We consider 2021 a very successful year and the expected culmination of all our efforts and work we dedicated to the transformation a year earlier. Therefore, we enter 2022 with higher expectations and goals again and will strive to be this positive and optimistic also in the introductory words a year from now.

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. Currently, we realise the necessity of supporting those fighting for us in the front line and therefore we decided to come up with financial support for the hospital in Pardubice. Over many years, the Company has also supported, for example, “Salty Children – The Club of Cystic Fibrosis Patients”.

In conclusion, allow me to thank all my colleagues for their effort in 2021 which played an essential role in achieving our success. I would also like to take this opportunity and extend my thanks to the business partners of our Company for cooperation in the previous period.



Petr Florián

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

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

3.1. Bodies of the Company

Board of Directors

Marek Moudrý

Member of the Board of Directors



Member since 19 March 2020.

After studying at the Faculty of Business Administration of 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 staff management, including the Unipetrol and Foxconn groups. He has been with the Profireal Group since March 2017, when he took up the position of Group Chief HR Officer. Since 2019, he has been a member of the Supervisory Board of PROFI CREDIT Polska S.A. He is currently the CEO of PROFI CREDIT Czech, a.s.

Bc. Petr Florián

Member of the Board of Directors



After completing the Secondary Vocational School of Polygraphy in 1990, he worked as a printer. In 1993, he left for the banking sector, where he worked until 2000, most recently as the head of the central vault of the Slovak Republic. In 2000, he joined PROFI CREDIT Slovakia as a financial analyst. At that time, the Company began providing the first loans and he formed sections and divisions of the Company. From 2002 to 2010, he was the director of the receivables management

Pavol Antalek

Member of the Board of Directors

department and the executive of the fellow subsidiary Profidebt Slovakia. In 2013, he returned to Profidebt Slovakia as CEO and Statutory Executive. In 2014, he joined PROFİ CREDIT Slovakia as Sales Director. He currently holds the position of the CEO and Statutory Executive of PROFİ CREDIT Slovakia and is a member of the Board of Directors of PROFİ CREDIT Czech.

Supervisory Board of Profi Credit Czech, a.s.

Mgr. Marcel Meřter – Member of the Supervisory Board

Management members of Business Unit PROFİ CREDIT Czech, a.s.

Bc. Petr Florián – Chief Executive Officer of Business Section

Matouř Koblre – Head of Financial Department

Ing. Petr Vondráček – Chief of Commercial Department

Ing. Dita Novotná – Head of Collections Department

Ing. Martin Horký – Head of IT Department

Frantiřek Kolínský – Head of Risk Department

Management members of Advisory Unit PROFİ CREDIT Czech, a.s.

Ing. Marek Moudrý – Chief Executive Officer of Group Section

Marek Doboř – Group Chief IT Officer

Ing. Jaroslav Wohlhőfner – Controlling 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. Since 2020, Petr Florián has served as the CEO.

The Company primarily specialised in real estate and purchase and administration of debts in the beginning. PROFI 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 individuals 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 PROFI 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 computerisation of administration. Clients conclude contracts biometrically which speeds up the application process. PROFI CREDIT thus reacts to the current trends and continues to improve the services provided to its clients.

In 2020, the global COVID-19 pandemic affected the loan market, and the Company had to respond by reducing staff and suspending lending in the spring of 2020. In June 2020, the products were significantly modified. Thanks to the new parameters, the Company was eventually able to reach its 2020 goals.

In 2021, the Company continued on its newly set course. Thanks to the great commitment and successful cooperation of all employees, the set plans were again achieved at the end of this challenging year.

3.3. Product range

PROFI CREDIT provides loans to individuals and corporate entities. Similarly to previous years, in 2021 the Company continued to offer a consumer loan in the retail segment under the name of *Pojištěná půjčka* (Insured Loan) at which an additional service of payment protection insurance might be arranged. There is also a new option to take out a credit remotely without a personal contact. 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 the business segment, we offer the ProFi BONUS loan.

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. PROFIT CREDIT Czech's products boast of advantages in the form of their high accessibility and speed of the application settlement. During 2021, when the non-bank loan market was affected by the COVID-19 pandemic, the product parameters of *Pojištěná půjčka*, *Razdva půjčka* as well as Business loans (ProFi BONUS) were further adapted.

Pojištěná půjčka is targeted to all clients who have regular income. The amount of these loans ranges from CZK 10,000 to CZK 250,000. Clients can take out the loan with a maturity between 3 and 48 months and the loan is not tied to any specific purpose. Clients can therefore use the loan for anything – such as renovation or furnishing of their apartment, to buy a car, electronic appliances and the like. In 2021, the decision of 2020 to introduce the remote signature proved to be right as the clients predominantly use this option to sign contracts.

The business 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. ProFi BONUS allows clients to apply for CZK 30,000 – CZK 250,000, with the repayment period of 12 – 36 months. In order to motivate businesses to maintain good payment discipline, it is possible to reach a bonus for orderly repayments. In 2021, we introduced the remote signature for entrepreneurs, too.

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 10,000 to CZK 150,000 with maturity from 3 to 48 months.

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 faster processing of their requests, a special info line and benefits. 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, and CNCB registers and, as a result, our response to the financial and loan burden of citizens of the Czech Republic is responsible.

The Company regularly receives feedback on its offered products and services from its customers and it has market research carried out. In 2021, PROFIT CREDIT Czech commissioned a survey on consumer behaviour in the online environment during the COVID-19 pandemic.

3.4. Commercial results

We have been providing loans on the Czech market for more than twenty years. During this time, our Company has gained a stable position as a major provider of non-bank loans. In these difficult times, burdened by the pandemic, we use our extensive experience and personal approach in contact with the customer. The strategy of the business in 2021 was marked by its thorough anchoring and at the same time setting the right positioning in all distribution channels, which we use and intend to continue to use in the future.

In 2021, PROFIT CREDIT Czech, a.s., provided loans of a total value of more than **CZK 660 million**. The product leader was, as in previous years, the loan for consumers which we provide under the name *Pojištěná půjčka* (Insured Loan). The name directly mentions the main benefit endorsed by our customers. It is the option to insure oneself against inability to repay. We also consider the rise of our online loan, which we offer under the name *Razdva půjčka*, to be a positive development. However, products for the business sector also represent a 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 almost **CZK 30 billion**.

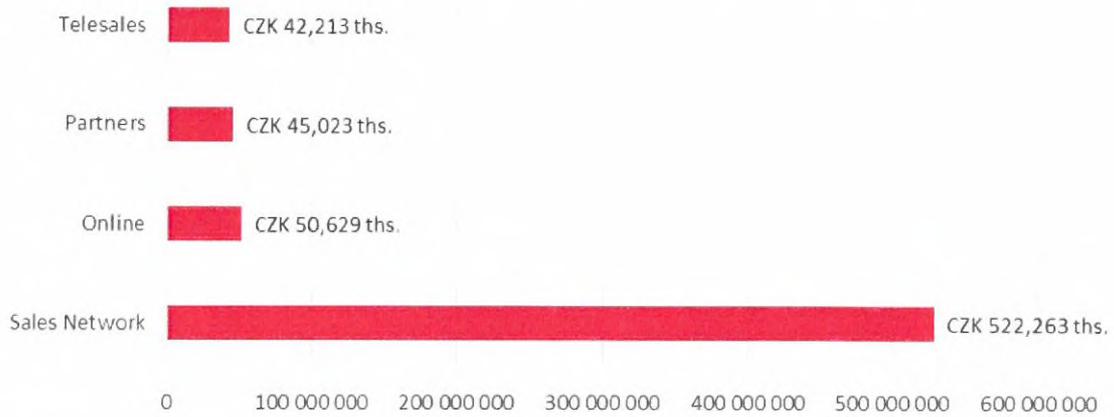
We have also completed the segmentation or division of distribution channels according to the behavioural needs of the customer. This is reflected in every change we make to our marketing targeting and product set-up. With this step, we are continuously improving the customer experience based on keeping the customer in an environment that they are comfortable with. Our biggest focus in these terms concerns the *Razdva půjčka*.

Currently, we are finishing the transformation of our commercial network and a group of larger Independent Brokers throughout the Czech Republic (R07). The most successful distribution channel in 2021 is our commercial network with a total output of CZK 522 million. We are succeeding in increasing the share in online production to a total of CZK 51 million. Telesales distribution channel and cooperation with external partners are stable with production of CZK 45 and 42 million, respectively.

Total production for individual regions in 2021 (paid amount)

Total of CZK 660 million

Production in individual commercial channels in 2021



3.5. Commercial outlook

The year 2021 was marked by process improvements to our current products. Other changes will follow from a major change - application signing and remote loans. These are primarily aimed at simplifying the loan process and making it faster at the same time.

In all our products, the organisational interplay between the Company's marketing and business practices is evident. By linking marketing and sales activities, we also increase our efficiency. Our goals for 2022 and beyond are marked by customer focus, understanding their needs and communicating together through forms that they welcome. This behaviour of ours is very well reflected in our retention strategy.

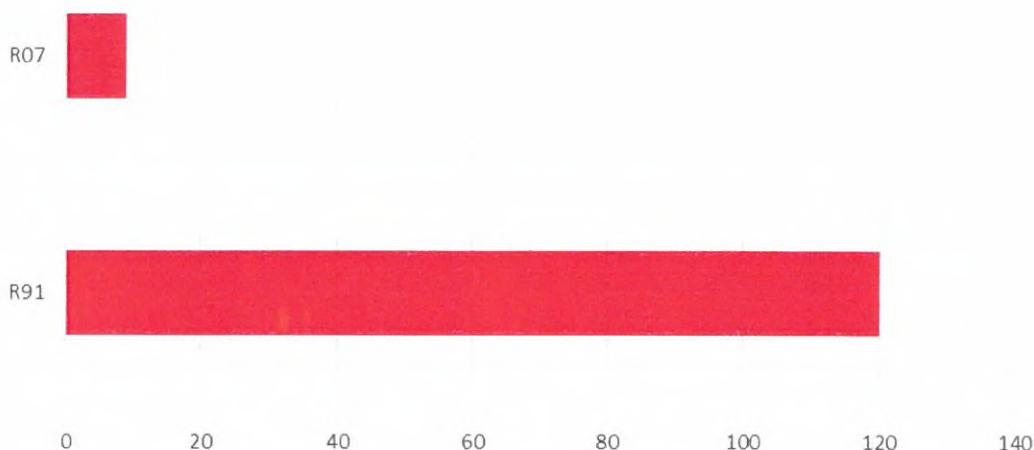
We regularly receive comments from our customers in the form of feedback on current products, but also ideas for developing new ones. We have the ambition to reflect these valuable findings in the business loan and to enhance the online loan with additional services that our customers request. We are already working on the development of loan consolidation and have other products in the non-purpose/purpose consumer loan segment in our focus.

3.6. Commercial network

PROFI CREDIT Czech, a.s., as a significant provider of non-bank loans, offers its products directly through a network of internal and external colleagues – loan advisors and partner companies.

Every loan advisor who wants to conclude consumer loan agreements must pass the CNB's examination. Last year, this process was simplified and accelerated thanks to the option to pass the examination online. Our managers help each advisor to prepare for the examination and with training within the loan arrangement with clients.

The commercial network comprises eight manager regions and a network of larger Independent Brokers throughout the Czech Republic (R07). The regions have branches, 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 Distribution manager is responsible for production volume, its quality, and for the recruitment and adaptation of new loan advisors in their respective regions.

Total number of loan advisors by region as of 31 December 2021 – 129 advisors

R07 – external partners; R91 – own commercial network

Loan advisors are divided into 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 **129** loan advisors.

3.7. Employees

The year 2021 was in the spirit of absorbing the changes brought about by the previous “first pandemic year” 2020. Fortunately, the uncertain situation associated with a number of the government’s measures has stabilised to some extent, and the dissolution of many positions due to cost-cutting in 2020 did not have to be followed up last year and the Company’s operations continued with a similar number of employees.

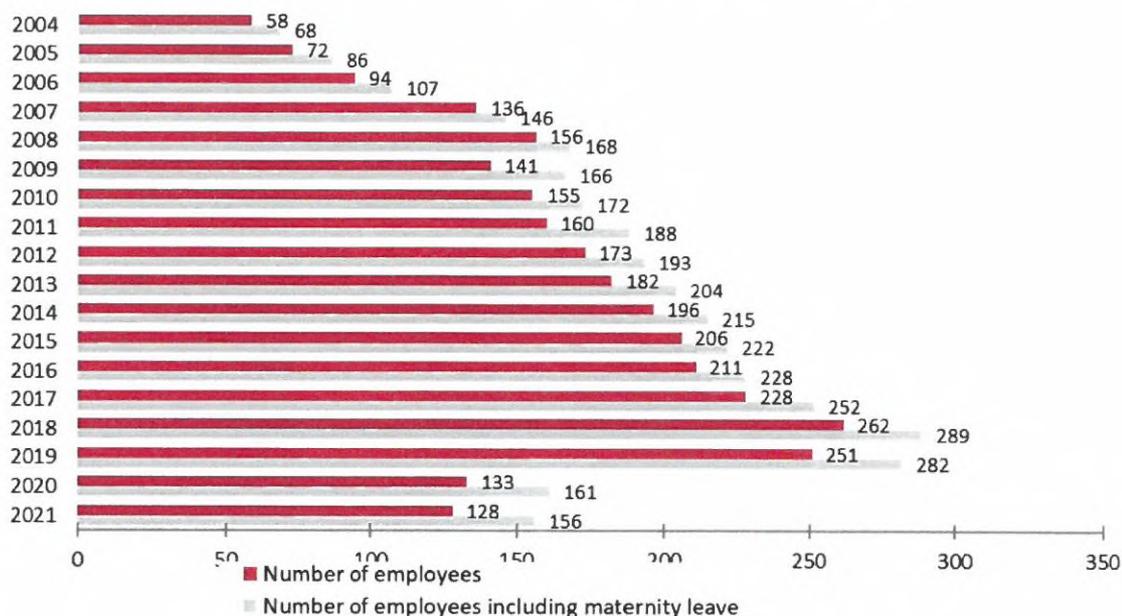
In terms of the organisational structure, last year did not involve such significant and dramatic changes as in the previous one. These included primarily cosmetic adjustments in the form of changes in job titles or replacements in some positions. However, a few changes were quite significant. Of these, we mention in particular the move of the then Head of the Commercial Department, Ladislav Müller, to the Philippines as Managing Director of this young foreign branch. Mr. Müller was replaced in the autumn of last year in his original position by Petr

Vondráček, who had already worked for the Company a number of years ago, which made the initial adaptation much smoother. The position of Head of Financial Department was newly taken up by Matouš Koblle, who moved to this position from the position of Main Accountant. The most significant changes occurred in the course of the last year in the Commercial Department. In addition to the aforementioned recruitment of a new head, the position of Head of Marketing, occupied by Martin Kašpar, was removed, who terminated his cooperation with the Company by mutual agreement. Furthermore, the restructuring of the commercial network commenced in the previous year continued with the removal of two Country Manager positions and the creation of a single replacement position of Distribution Manager which was taken up by the holder of one of the removed positions, David Vokurka.

There were no new changes in the Company's management compared to the last year and the members of the Board of Directors still remain Mr. Petr Florián, Mr. Marek Moudrý and Mr. Pavol Antálek.

The stabilisation of the staff situation during the last year has brought more peace of mind to all employees at the Company's headquarters and also to the cooperating dealers in the commercial network. This reassurance enabled us to achieve excellent business results not only during the year, but especially at the very end of the year. Most employees, for whom the previous year was a complete novelty, had naturally become accustomed to the recurring need to work from home in the home office mode last year, sometimes due to government measures, sometimes due to internal risks of the spread of COVID-19. The management of the Company reacted flexibly to the current pandemic situation and tested employees not only during the period of mandatory testing pursuant to the Czech government's regulation, but also during other risk periods.

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 subsidy and material donations as well as actual help.

In 2021, the Company further continued with the CSR project **For More Smiles** 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 started in 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 donated to support a selected individual, group or organisation. Since the launch, we have collected more than CZK 410,000. This activity has been limited since 2020 due to the COVID-19 pandemic and has not yet been resumed due to ongoing epidemic restrictions.

Primary projects supported in 2021:

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 the 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 2021, the Company donated CZK 150,000 to the organisation to support its activities.

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. 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's events and is the ambassador of the CSR project For More Smiles.

Children's Super Day

The largest children's day in the Pardubice Region, which is annually held at the racecourse, is supported by PROFIT 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.

Support for the Hospital of the Pardubice Region

In December 2021, the Company once again supported the Hospital of the Pardubice Region (*Nemocnice Pardubického kraje*) to combat the COVID-19 pandemic through a donation of CZK 50,000.

4. REPORT OF THE BOARD OF DIRECTORS

Dated: 29 April 2022

Prepared by: Bc. Petr Florián CEO BS, PROFÍ 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 PROFÍ CREDIT Czech, a.s., a company established on 5 December 1994, with its registered office at Klimentská 1216/46, 110 00 Prague 1. In 2021, 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 2,746,510 thousand for the reporting period of 2021. The share of current assets was 99% and their total volume reached CZK 2,719,837 thousand in 2021, while trade receivables amounted to CZK 2,562,782 thousand. The proportion of fixed assets to the Company's total assets stood at 0.65% and their total amount in 2021 was CZK 18,370 thousand.

The Company's liabilities (external resource) reached CZK 1,486,447 thousand, of which long-term loans and borrowings amounted to CZK 52,431 thousand.

The main components of the Company's total revenues, amounting to CZK 998,377 thousand in 2021, were represented by financial revenues from provided loans and credits in the amount of CZK 720,029 thousand, contractual penalties, fines and interest on overdue payment of CZK 183,859 thousand, other operating revenues (court fees, fees for legal representation, etc.) of CZK 55,238 thousand.

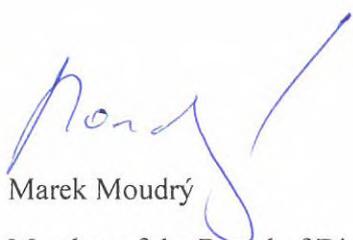
Costs in 2021 reached the total amount of CZK 763,546 thousand, with the main cost items represented by interest on loans of CZK 98,215 thousand, receivables written off due to ineffective distraints and results of insolvency proceedings of CZK 325,893 thousand, costs related to commissions paid to external loan and debt-collecting workers of CZK 80,173 thousand and payroll costs of CZK 107,183 thousand.

As of 31 December 2021, the Company reported profit before tax in the amount of CZK 262,074 thousand. After including deferred and current tax, the Company earned a profit in 2021 in the amount of CZK 238,231 thousand. When taking into account the adjustments related to taxable and deductible items, the income tax base for the relevant reporting period reached CZK 167,520 thousand. Tax liabilities for 2021, including the withholding tax, amount to CZK 31,876 thousand.

In accordance with the business plan, PROFIT CREDIT Czech, a.s. achieved profit in 2021. The Company's net profit in 2021 is CZK 234,831 thousand. In compliance with the Company's Articles of Association, it is proposed to pay CZK 220,000 thousand in the form of a dividend and to transfer CZK 14,831 thousand to the retained earnings account.

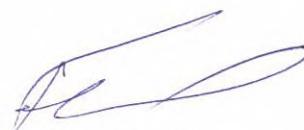
Economic results with a detailed break-down are contained in the statements attached herein below:

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



Marek Moudrý

Member of the Board of Directors



Bc. Petr Florián

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 29 April 2022, 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 2021, that is:

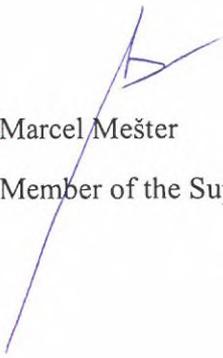
1. Financial statements of the Company for 2021;
2. Report of the Board of Directors on business activities of the Company for 2021;
3. Report of the Board of Directors on the Company's assets, financial statements and proposal for profit distribution for 2021;
4. Draft of the Independent Auditor's Report on the financial statements as of 31 December 2021; and
5. Report on relations between related parties for 2021.

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 2021 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 2021 represent a profit in the amount of CZK 234,831 thousand. In compliance with the Company's Articles of Association, it is proposed to pay CZK 220,000 thousand in the form of a dividend and to transfer CZK 14,831 thousand to retained earnings.

The Supervisory Board considered the economic result for 2021, acknowledged the proposed content of the Auditor's Report on the ordinary financial statements, discussed and reviewed the ordinary financial statements for 2021, 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 2021, the aforementioned proposal of the Board of Directors for distribution of the Company's profit for 2020 and the Report on relations between related parties for 2021.



Marcel Mešter

Member 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 PROFIT 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 2021, 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 PROFIT CREDIT Czech, a.s. as of 31 December 2021, 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:

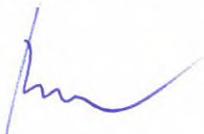
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 29 April 2022

Audit firm:

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



Statutory auditor:

David Batal
registration no. 2147



7. FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

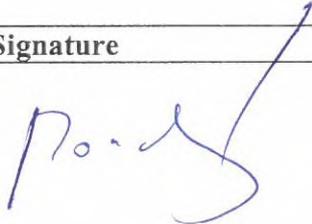
Profit and Loss Account

Statement of Changes in Equity

Cash Flow Statement

Notes to the Financial Statements

These financial statements were prepared on 29 April 2022.

| Statutory body of the reporting entity: | Signature |
|---|--|
| <p>Marek Moudrý Member of the Board of Directors</p> |  |
| <p>Petr Florián Member of the Board of Directors</p> |  |

7.1. Full Balance Sheet as of 31 December 2021 (in CZK thousand)

| | 31 Dec 2021 | | 31 Dec 2020 | |
|---|------------------|------------------|------------------|------------------|
| | Gross | Adjustment | Net | Net |
| TOTAL ASSETS | 7 477 728 | 4 731 218 | 2 746 510 | 2 958 468 |
| B. Fixed assets | 70 539 | 52 169 | 18 370 | 19 189 |
| <i>B.I. Intangible fixed assets</i> | <i>36 906</i> | <i>32 227</i> | <i>4 679</i> | <i>7 109</i> |
| B.I.1. Development | 4 493 | 4 493 | 0 | 0 |
| <i>B.I.2. Valuable rights</i> | <i>31 222</i> | <i>26 543</i> | <i>4 679</i> | <i>7 032</i> |
| B.I.2.1. Software | 31 222 | 26 543 | 4 679 | 7 032 |
| B.I.4. Other intangible fixed assets | 1 191 | 1 191 | 0 | 77 |
| B.I.5. Prepayments for intangible fixed assets and intangible fixed assets under construction | 0 | 0 | 0 | 0 |
| B.I.5.2. Intangible fixed assets under construction | 0 | 0 | 0 | 0 |
| <i>B.II. Tangible fixed assets</i> | <i>33 453</i> | <i>19 942</i> | <i>13 511</i> | <i>11 900</i> |
| <i>B.II.1. Land and structures</i> | <i>7 118</i> | <i>1 747</i> | <i>5 371</i> | <i>5 816</i> |
| B.II.1.1. Land | 0 | 0 | 0 | 0 |
| B.II.1.2. Structures | 7 118 | 1 747 | 5 371 | 5 816 |
| B.II.2. Tangible movable assets and sets of tangible | 26 335 | 18 195 | 8 140 | 6 084 |
| B.II.5. Prepayments for tangible fixed assets and tangible fixed assets under construction | 0 | 0 | 0 | 0 |
| B.II.5.2. Tangible fixed assets under construction | 0 | 0 | 0 | 0 |
| <i>B.III. Non-current financial assets</i> | <i>180</i> | <i>0</i> | <i>180</i> | <i>180</i> |
| B.III.6. Loans and borrowings - other | 180 | 0 | 180 | 180 |
| C. Current assets | 7 398 886 | 4 679 049 | 2 719 837 | 2 925 947 |
| <i>C.I. Inventories</i> | <i>886</i> | <i>0</i> | <i>886</i> | <i>457</i> |
| <i>C.I.3. Products and goods</i> | <i>886</i> | <i>0</i> | <i>886</i> | <i>457</i> |
| C.I.3.2. Goods | 886 | 0 | 886 | 457 |
| <i>C.II. Receivables</i> | <i>7 358 564</i> | <i>4 679 049</i> | <i>2 679 515</i> | <i>2 857 803</i> |
| C.II.1. Long-term receivables | 630 079 | 17 349 | 612 730 | 543 847 |
| C.II.1.1. Trade receivables | 630 079 | 17 349 | 612 730 | 543 847 |
| <i>C.II.2. Short-term receivables</i> | <i>6 728 485</i> | <i>4 661 700</i> | <i>2 066 785</i> | <i>2 313 956</i> |
| C.II.2.1. Trade receivables | 6 611 752 | 4 661 700 | 1 950 052 | 2 238 828 |
| C.II.2.2. Receivables - controlled or controlling entity | 11 452 | 0 | 11 452 | 13 375 |
| <i>C.II.2.4. Receivables - other</i> | <i>105 281</i> | <i>0</i> | <i>105 281</i> | <i>61 753</i> |
| C.II.2.4.3. State - tax receivables | 94 748 | 0 | 94 748 | 50 970 |
| C.II.2.4.4. Short-term prepayments made | 7 859 | 0 | 7 859 | 8 648 |
| C.II.2.4.5. Estimated receivables | 27 | 0 | 27 | 0 |
| C.II.2.4.6. Sundry receivables | 2 647 | 0 | 2 647 | 2 135 |
| <i>C.IV. Cash</i> | <i>39 436</i> | <i>0</i> | <i>39 436</i> | <i>67 687</i> |
| C.IV.1. Cash on hand | 711 | 0 | 711 | 465 |
| C.IV.2. Cash at bank | 38 725 | 0 | 38 725 | 67 222 |
| D. Other assets | 8 303 | 0 | 8 303 | 13 332 |
| D.1. Deferred expenses | 8 277 | 0 | 8 277 | 13 306 |
| D.3. Accrued income | 26 | 0 | 26 | 26 |

| | | 31 December 2021 | 31 December 2020 |
|------------------|--|------------------|------------------|
| | TOTAL LIABILITIES & EQUITY | 2 746 510 | 2 958 468 |
| A. | Equity | 1 241 081 | 1 206 250 |
| <i>A.I.</i> | <i>Share capital</i> | 232 650 | 232 650 |
| A.I.1. | Share capital | 232 650 | 232 650 |
| <i>A.IV.</i> | <i>Retained earnings (+/-)</i> | 773 600 | 771 388 |
| A.IV.1. | Accumulated profits brought forward | 773 600 | 771 388 |
| A.IV.3. | Other profit or loss from prior years (+/-) | 0 | 0 |
| A.V. | <i>Profit or loss for the current period (+/-)</i> | 234 831 | 202 212 |
| B.+C. | Liabilities | 1 486 447 | 1 722 611 |
| B. | Reserves | 51 783 | 106 557 |
| B.II. | Income tax reserve | 31 782 | 87 850 |
| B.IV. | Other reserves | 20 001 | 18 707 |
| C. | Payables | 1 434 664 | 1 616 054 |
| <i>C.I.</i> | <i>Long-term payables</i> | 1 049 339 | 1 256 792 |
| <i>C.I.1.</i> | <i>Bonds issued</i> | 412 964 | 666 200 |
| C.I.1.2. | Other bonds | 412 964 | 666 200 |
| <i>C.I.2.</i> | <i>Payables to credit institutions</i> | 52 431 | 42 361 |
| C.I.4. | Trade payables | 39 781 | 57 476 |
| <i>C.I.6.</i> | <i>Payables - controlled or controlling entity</i> | 510 000 | 450 000 |
| C.I.8. | Deferred tax liability | 33 484 | 38 071 |
| <i>C.I.9.</i> | <i>Other payables</i> | 679 | 2 684 |
| C.I.9.3 | Sundry payables | 679 | 2 684 |
| <i>C.II.</i> | <i>Short-term payables</i> | 385 325 | 359 262 |
| C.II.2. | Payables to credit institutions | 203 928 | 144 872 |
| <i>C.II.3.</i> | <i>Short-term prepayments received</i> | 0 | 0 |
| C.II.4. | Trade payables | 35 406 | 64 020 |
| <i>C.II.6.</i> | <i>Payables - controlled or controlling entity</i> | 86 | 3 800 |
| <i>C.II.8.</i> | <i>Other payables</i> | 145 905 | 146 570 |
| <i>C.II.8.2.</i> | <i>Short-term financial borrowings</i> | 120 000 | 120 000 |
| C.II.8.3. | Payables to employees | 5 748 | 4 995 |
| <i>C.II.8.4.</i> | <i>Social security and health insurance payables</i> | 2 995 | 2 927 |
| C.II.8.5. | State - tax payables and subsidies | 2 369 | 2 889 |
| <i>C.II.8.6.</i> | <i>Estimated payables</i> | 13 616 | 13 348 |
| C.II.8.7. | Sundry payables | 1 177 | 2 411 |
| D. | Other liabilities | 18 982 | 29 607 |
| D.1. | Accrued expenses | 18 945 | 29 591 |
| D.2. | Deferred income | 37 | 16 |

7.2. Profit and loss account, according to the nature of expense method, year ended 31 December 2021 (in CZK thousand)

| | | Year ended 31 December 2021 | Year ended 31 December 2020 |
|--------|---|--------------------------------|--------------------------------|
| I. | Sales of products and services | 13 090 | 22 533 |
| A. | Purchased consumables and services | 116 037 | 126 085 |
| A.2. | Consumed material and energy | 3 892 | 4 646 |
| A.3. | Services | 112 145 | 121 439 |
| D. | Staff costs | 107 183 | 160 113 |
| D.1. | Payroll costs | 80 263 | 120 915 |
| D.2. | Social security and health insurance costs and other charges | 26 920 | 39 198 |
| D.2.1. | Social security and health insurance costs | 25 508 | 37 360 |
| D.2.2. | Other charges | 1 412 | 1 838 |
| E. | Adjustments to values in operating activities | -236 030 | -296 021 |
| E.1. | <i>Adjustments to values of intangible and tangible fixed assets</i> | 6 072 | 7 288 |
| E.1.1. | Adjustments to values of intangible and tangible fixed assets - permanent | 6 072 | 7 288 |
| E.3. | Adjustments to values of receivables | -242 103 | -303 309 |
| III. | Other operating income | 265 078 | 320 582 |
| III.1. | Sales of fixed assets | 1 102 | 8 720 |
| III.3. | Sundry operating income | 263 976 | 311 862 |
| F. | Other operating expenses | 454 475 | 749 478 |
| F.1. | Net book value of sold fixed assets | 47 | 16 |
| F.3. | Taxes and charges | 23 090 | 28 271 |
| F.4. | Reserves relating to operating activities and complex deferred expenses | 1 295 | - 10 883 |
| F.5. | Sundry operating expenses | 430 043 | 732 074 |
| * | Operating profit or loss (+/-) | - 163 496 | - 396 540 |
| VI. | Interest income and similar income | 2 | 92 |
| VI.2. | Other interest income and similar income | 2 | 92 |
| J. | Interest expenses and similar expenses | 98 215 | 84 369 |
| J.1. | Interest expenses and similar expenses - controlled or controlling entity | 40 547 | 2 731 |
| J.2. | Other interest expenses and similar expenses | 57 668 | 81 638 |
| VII. | Other financial income | 720 207 | 890 355 |
| K. | Other financial expenses | 196 424 | 150 415 |
| * | Financial profit or loss (+/-) | 425 570 | 655 663 |
| ** | Profit or loss before tax (+/-) | 262 074 | 259 123 |
| L. | Income tax | 27 243 | 56 911 |
| L.1. | Due income tax | 31 829 | 85 800 |
| L.2. | Deferred income tax (+/-) | -4 586 | -28 889 |
| ** | Profit or loss net of tax (+/-) | 234 831 | 202 212 |
| *** | Profit or loss for the current period (+/-) | 234 831 | 202 212 |
| * | Net turnover for the current period | 998 377 | 1 233 562 |

7.3. Statement of changes in equity for the year ended 31 December 2021
(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 |
|---------------------------------------|----------------|---------------|---------------------------------|---|---------------------------------------|------------------|
| Balance at 31 December 2019 | 232 650 | 0 | 0 | 1 162 822 | 216 467 | 1 611 939 |
| Profit shares paid | | | | - 391 434 | -216 467 | -607 901 |
| Profit or loss for the current period | | | | | 202 212 | 202 212 |
| Balance at 31 December 2020 | 232 650 | 0 | 0 | 771 388 | 202 212 | 1 206 250 |
| Profit shares paid | | | | 2 212 | -202 212 | - 200 000 |
| Profit or loss for the current period | | | | | 234 831 | 234 831 |
| Balance at 31 December 2021 | | 0 | 0 | 773 600 | 234 831 | 1 241 081 |

7.4. Cash flow statement for the year ended 31 December 2021 (in CZK thousand)

| | Year ended 31 December 2021 | Year ended 31 December 2020 | |
|---------------|---|--------------------------------|-------------------|
| P. | Opening balance of cash and cash equivalents | 67 687 | 32 632 |
| | <i>Cash flows from ordinary activities (operating activities)</i> | | |
| Z. | Profit or loss before tax | 262 074 | 259 123 |
| A.1. | Adjustments for non-cash transactions | -82 209 | 1 184 258 |
| A.1.1. | Depreciation of fixed assets | 6 072 | 7 288 |
| A.1.2. | Change in provisions and reserves | -240 809 | -314 193 |
| A.1.3. | Profit/(loss) on the sale of fixed assets | -1 055 | - 8 704 |
| A.1.4. | Income from profit shares | 0 | 0 |
| A.1.5. | Interest expense and interest income | 98 213 | 84 277 |
| A.1.6. | Adjustments for other non-cash transactions | 55 370 | 1 415 590 |
| A.* | Net operating cash flow before changes in working capital | 179 865 | 1 443 381 |
| A.2. | Change in working capital | 373 053 | -107 834 |
| A.2.1. | Change in operating receivables and other assets | 372 518 | -486 509 |
| A.2.2. | Change in operating payables and other liabilities | 964 | 378 569 |
| A.2.3. | Change in inventories | -429 | 106 |
| A.2.4. | Change in current financial assets | 0 | 0 |
| A.** | Net cash flow from operations before tax | 552 918 | 1 335 547 |
| A.3. | Interest paid | -99 449 | -141 341 |
| A.4. | Interest received | 2 | 92 |
| A.5. | Income tax paid from ordinary operations | -132 479 | -59 420 |
| A.6. | Profit shares received | 0 | 0 |
| A.*** | Net operating cash flows | 320 992 | 1 134 878 |
| | <i>Cash flows from investing activities</i> | | |
| B.1. | Fixed assets expenditures | -5 300 | -746 |
| B.2. | Proceeds from fixed assets sold | 1 102 | 8 720 |
| B.3. | Loans and borrowings to related parties | 0 | 0 |
| B.*** | Net investment cash flows | -4 198 | 7 974 |
| | <i>Cash flow from financial activities</i> | | |
| C.1. | Change in payables from financing | -145 045 | -499 897 |
| C.2. | Impact of changes in equity | -200 000 | -607 900 |
| C.2.1. | Cash increase in share capital | 0 | 0 |
| C.2.2. | Capital payments to partners | 0 | 0 |
| C.2.3. | Other cash contributions made by partners | 0 | 0 |
| C.2.4. | Settlement of loss by partners | 0 | 0 |
| C.2.5. | Payments from capital funds | 0 | 0 |
| C.2.6. | Profit shares paid | -200 000 | -607 900 |
| C.*** | Net financial cash flows | -345 045 | -1 107 797 |
| F. | Net increase or decrease in cash and cash equivalents | -28 251 | 35 055 |
| R. | Closing balance of cash and cash equivalents | 39 436 | 67 687 |

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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 2021, 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 2021.

The reporting period corresponds to the calendar year – from 1 January 2020 to 31 December 2021.

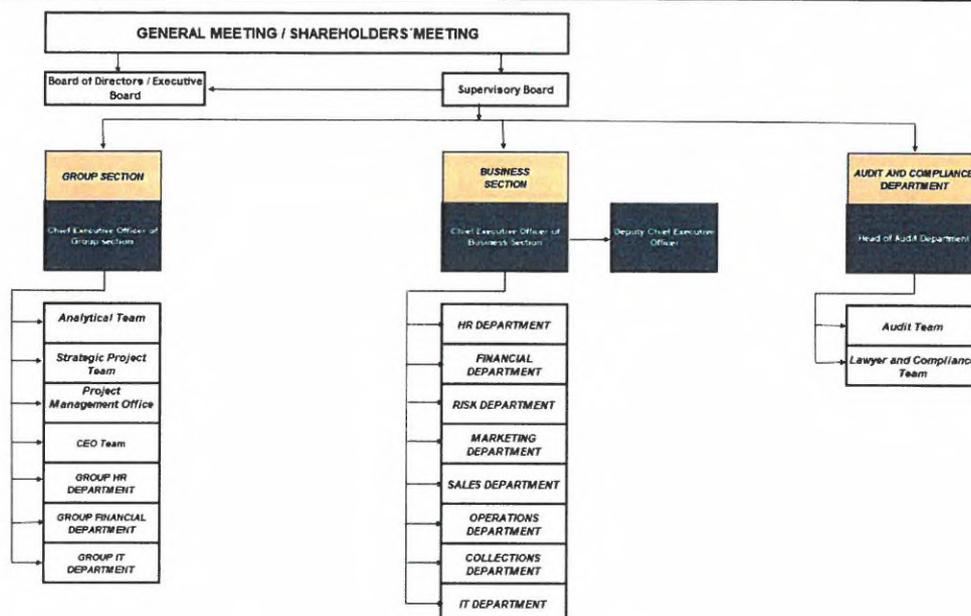
The financial statements are general purpose financial statements and have not been prepared for any special purpose, transaction or user. Users should not rely exclusively on these financial statements in making decisions and should undertake other appropriate inquiries before making decisions.

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% |
| Total | 100% |

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 2021

| | Position | Name |
|---------------------------|----------|---------------|
| Board of Directors | Member | Marek Moudrý |
| | Member | Pavol Antálek |
| | Member | Petr Florián |
| Supervisory Board | Member | Marcel Mešter |

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 |
| ZC | 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 and competitions.

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 2021 whose results will not be announced until the following year.

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 2021.

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:

| | (in CZK thousand) | |
|--|-------------------|------------------|
| | 31 December 2021 | 31 December 2020 |
| Cash on hand and cash in transit + valuables | 711 | 465 |
| Cash at bank | 38 725 | 67 222 |
| Funds and cash equivalents in total | 39 436 | 67 687 |

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

(in CZK thousand)

| | Balance at 31 Dec 2019 | Additions | Disposals | Balance at 31 Dec 2020 | Additions | Disposals | Balance at 31 Dec 2021 |
|--------------------------------|---------------------------|------------|------------|---------------------------|-----------|--------------|---------------------------|
| Development | 4 493 | 0 | 0 | 4 493 | 0 | 0 | 4 493 |
| Software | 35 550 | 583 | 0 | 36 133 | 0 | 4 911 | 31 222 |
| Other intangible fixed assets | 3 541 | 0 | 0 | 3 541 | 0 | 2 350 | 1 191 |
| Int. fixed assets under const. | 280 | 303 | 583 | 0 | 0 | 0 | 0 |
| Total | 43 864 | 886 | 583 | 44 167 | 0 | 7 261 | 36 906 |

Accumulated amortisation

(in CZK thousand)

| | Balance at 31 Dec 2019 | Additions | Disposals | Balance at 31 Dec 2020 | Additions | Disposals | Balance at 31 Dec 2021 |
|-------------------------------|---------------------------|--------------|-----------|---------------------------|--------------|--------------|---------------------------|
| Development | 4 493 | 0 | 0 | 4 493 | 0 | 0 | 4 493 |
| Software | 25 841 | 3 260 | 0 | 29 101 | 2 352 | 4 910 | 26 543 |
| Other intangible fixed assets | 3 306 | 158 | 0 | 3 464 | 78 | 2 351 | 1 191 |
| Total | 33 640 | 3 418 | 0 | 37 058 | 2 430 | 7 261 | 32 227 |

Net book value

(in CZK thousand)

| | Balance at 31 Dec 2020 | Balance at 31 Dec 2021 |
|--------------------------------|---------------------------|---------------------------|
| Development | 0 | 0 |
| Software | 7 032 | 4 679 |
| Other intangible fixed assets | 77 | 0 |
| Int. fixed assets under const. | 0 | 0 |
| Total | 7 109 | 4 679 |

The Company recognised no provisions against intangible fixed assets in 2021 or 2020.

4.1.2. Tangible fixed assets

Acquisition cost

(in CZK thousand)

| | Balance at 31 Dec 2019 | Additions | Disposals | Balance at 31 Dec 2020 | Additions | Disposals | Balance at 31 Dec 2021 |
|------------------------------------|---------------------------|------------|--------------|---------------------------|---------------|---------------|---------------------------|
| Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Structures | 7 293 | 198 | 0 | 7 491 | 0 | 373 | 7 118 |
| Tangible movable assets | 28 349 | 285 | 1 037 | 27 597 | 5 299 | 6 561 | 26 335 |
| - Machinery and equipment | 8 997 | 45 | 922 | 8 120 | 9 | 1 559 | 6 570 |
| - Vehicles | 18 | 7 | 7 | 18 | 362 | 6 | 374 |
| - Furniture and fixtures | 19 334 | 233 | 108 | 19 459 | 4 928 | 4 996 | 19 391 |
| Tan. fixed assets under constr. | 40 | 482 | 522 | 0 | 5 299 | 5 299 | 0 |
| Total | 35 682 | 965 | 1 559 | 35 088 | 10 598 | 12 233 | 33 453 |

Accumulated depreciation and provisions

(in CZK thousand)

| | Balance at 31 Dec 2019 | Additions | Disposals | Balance at 31 Dec 2020 | Additions | Disposals | Balance at 31 Dec 2021 |
|---------------------------|---------------------------|--------------|--------------|---------------------------|--------------|--------------|---------------------------|
| Structures | 1 497 | 178 | 0 | 1 675 | 445 | 373 | 1 747 |
| Tangible movable assets | 18 842 | 3 707 | 1 036 | 21 513 | 3 244 | 6 562 | 18 195 |
| - Machinery and equipment | 5 108 | 2 111 | 921 | 6 298 | 1 116 | 1 560 | 5 854 |
| - Vehicles | 0 | 0 | 7 | -7 | 66 | 6 | 53 |
| - Furniture and fixtures | 13 734 | 1 596 | 108 | 15 222 | 2 062 | 4 996 | 12 288 |
| Total | 20 339 | 3 885 | 1 036 | 23 188 | 3 689 | 6 935 | 19 942 |

Net book value

(in CZK thousand)

| | Balance at 31 Dec 2020 | Balance at 31 Dec 2021 |
|---------------------------------|---------------------------|---------------------------|
| Land | 0 | 0 |
| Structures | 5 816 | 5 371 |
| Tangible movable assets | 6 084 | 8 140 |
| - Machinery and equipment | 1 822 | 716 |
| - Vehicles | 25 | 321 |
| - Furniture and fixtures | 4 237 | 7 103 |
| Tan. fixed assets under constr. | 0 | 0 |
| Total | 11 900 | 13 511 |

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

(in CZK thousand)

| Description of item/group of items | Total leasing value | Instalments actually paid in 2020 | Instalments actually paid in 2021 | Payable in the following years |
|---------------------------------------|---------------------|--------------------------------------|--------------------------------------|-----------------------------------|
| Passenger cars | 45 678 | 11 621 | 2 453 | 338 |
| HW equipment | 11 423 | 1 622 | 786 | 1 519 |
| Total | 57 101 | 13 243 | 3 239 | 1 857 |

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 2021 amounted to CZK 612,730 thousand (provision of CZK 17,349 thousand). Long-term net receivables as of 31 December 2020 amounted to CZK 543,847 thousand (provision of CZK 20,076 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

| (in CZK thousand) | | | | | |
|-------------------|-------------|-------------|---------|-----------|-----------|
| Year | Category | Unspecified | Due | Overdue | Total |
| 2021 | Gross | 741 738 | 321 873 | 5 548 141 | 6 611 752 |
| | Provisions. | 484 936 | 14 542 | 4 162 222 | 4 661 700 |
| | Net | 256 802 | 307 331 | 1 385 919 | 1 950 052 |
| 2020 | Gross | 794 794 | 418 675 | 5 929 403 | 7 142 872 |
| | Provisions. | 522 945 | 23 066 | 4 355 064 | 4 901 075 |
| | Net | 271 849 | 395 609 | 1 574 339 | 2 241 797 |

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 2021, receivables (long-term and short-term) serving as collateral for accepted bank loans amounted to CZK 485,890 thousand, and for accepted non-bank loans to CZK 1,892,867 thousand.

As of 31 December 2020, receivables (long-term and short-term) serving as collateral for accepted bank loans amounted to CZK 396,013 thousand, and for accepted non-bank loans to CZK 198,121 thousand.

Changes in provisions for receivables can be classified as follows:

| (in CZK thousand) | | |
|--|------------------|------------------|
| | 2021 | 2020 |
| Opening balance as of 1 January | 4 901 075 | 5 200 087 |
| Creation | -14 895 | 70 614 |
| Use | -224 480 | -369 626 |
| Closing balance as of 31 December | 4 661 700 | 4 901 075 |

4.3.2. Receivables from related parties

Short-term trade receivables

| Company | (in CZK thousand) | |
|--|------------------------|------------------------|
| | Balance at 31 Dec 2021 | Balance at 31 Dec 2020 |
| PGJT B.V. | 0 | 0 |
| PROFI CREDIT Bulgaria EOOD | 287 | 1 663 |
| PROFI CREDIT Polska S.A. | 1 938 | 2 380 |
| PROFI CREDIT Slovakia,s.r.o. | 288 | 481 |
| Profi Consulting s.r.o. | 31 | 0 |
| PROFIREAL Group SE | 6 532 | 6 105 |
| LLC MCC PROFIREAL | 1 297 | 2 265 |
| Profi Investment BG | 295 | 9 |
| Southstream, a.s. | 5 | 0 |
| PROFI FUNDING B.V. | 4 | 2 |
| TH Real, a.s. | 21 | 0 |
| FLEXI FINANCE ASIA INC. | 565 | 304 |
| DTMR Management SICAV p.l.c. | 166 | 166 |
| XEVA MEZZANINE FINANCE LTD | 17 | 0 |
| Strongwest, a. s. | 6 | 0 |
| Total short-term receivables from related parties | 11 452 | 13 375 |

The Company provided no loans to related parties in 2020 and 2021.

4.3.3. Pledged assets

2021

| Description of assets | Gross value | Description, scope and purpose of pledge/ Easement | (in CZK thousand) |
|-----------------------|------------------|---|----------------------------|
| | | | Value of liability secured |
| Receivables | 1 694 053 | Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company. | 510 000 |
| Receivables | 199 947 | Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company | 108 681 |
| Receivables | 198 814 | Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company | 120 000 |
| Receivables | 285 943 | Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company | 147 678 |
| Total | 2 378 757 | | 886 359 |

2020

| Description of assets | Gross value | Description, scope and purpose of pledge/ Easement | (in CZK thousand) |
|-----------------------|----------------|---|----------------------------|
| | | | Value of liability secured |
| Receivables | | Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company. | 450 000 |
| Receivables | 205 839 | Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company | 88 194 |
| Receivables | 198 121 | Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company | 120 000 |
| Receivables | | Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company | 1 667 |
| Receivables | 190 173 | Set of selected receivables was pledged in favour of a creditor to secure a credit received by the Company | 97 371 |
| Total | 594 133 | | 757 232 |

4.4. Tax receivables

Tax receivables of CZK 94,748 thousand (CZK 50,970 thousand as of 31 December 2020) primarily include prepayments made for corporate income tax.

4.5. Deferred expenses

As of 31 December 2021, total deferred costs amounted to CZK 8,277 thousand (CZK 13,306 thousand as of 31 December 2020).

The most significant item includes deferred expenses related to finance leasing of cars and IT technology, amounting to CZK 1,857 thousand as of 31 December 2021 (CZK 5,095 thousand as of 31 December 2020).

4.6. Equity

As of 31 December 2021, equity amounts to CZK 1,241,081 thousand (CZK 1,206,250 thousand as of 31 December 2020). In 2021, a dividend of CZK 200,000 thousand was paid to the sole shareholder. The Company's management anticipates paying out the profit of 2021 in the amount of CZK 234,831 thousand in the following manner: CZK 220,000 thousand will be paid in the form of a dividend and CZK 14,831 thousand will be transferred to retained earnings.

4.7. Reserves

| | (in CZK thousand) | | | |
|----------------------------------|--------------------------------------|--------------------|----------------|-------------------|
| | Reserves for outstanding vacation | Income tax reserve | Other reserves | Reserves in total |
| Balance as of 31 Dec 2020 | 1 059 | 87 850 | 17 648 | 106 557 |
| Balance as of 31 Dec 2021 | 970 | 31 782 | 19 031 | 51 783 |

4.8. Liabilities

4.8.1. Long-term trade payables

| (in CZK thousand) | | |
|---------------------------------------|---------------------------|---------------------------|
| Type of liability | Balance as of 31 Dec 2021 | Balance as of 31 Dec 2020 |
| Commission to staff providing credits | 39 781 | 57 476 |

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 2021, the Company placed no bonds.

In 2020, the Company placed a total of 3,500 thousand bonds with the interest rate of 6.2% p.a.

As of 31 January 2021 and 31 January 2020, The Company did not place the bonds on the regulated market of the European Union for trading purposes.

The maturity of individual issues is summarised in the table.

| Bonds | Sold (CZK) | Maturity |
|---------------------------|-------------|------------------|
| Bonds (ISIN CZ0003505026) | 279 950 000 | 30 June 2022 |
| Bonds (ISIN CZ0003505018) | 130 500 000 | 31 December 2022 |

4.8.3. Sundry long-term payables

| (in CZK thousand) | | | | |
|-------------------|----------|---------------------------|---------------------------|-----------------------|
| Type of liability | Currency | Balance as of 31 Dec 2021 | Balance as of 31 Dec 2020 | Form of security 2021 |
| Lease liabilities | CZK | 679 | 2 684 | Bill of exchange |
| Total | | 679 | 2 684 | |

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 sundry short-term payables, the Company recognises a short-term payable arising from leasing in the amount of CZK 1,177 thousand (CZK 2,411 thousand as of 31 December 2020).

Aging of short-term trade payables

| Year | Category | Due | Overdue | (in CZK thousand) |
|------|------------|--------|---------|-------------------|
| | | | | Total |
| 2021 | Short-term | 28 082 | 7 324 | 35 406 |
| 2020 | Short-term | 54 515 | 9 505 | 64 020 |

4.9.1. Short-term related party payables

| Company | (in CZK thousand) | |
|--|---------------------------|---------------------------|
| | Balance as of 31 Dec 2021 | Balance as of 31 Dec 2020 |
| PROFIREAL Group SE | 0 | 156 |
| Profi Credit Polska S.A. | 75 | 63 |
| Profi Consulting s.r.o. | 10 | 15 |
| Profi Funding B.V. | 0 | 3 490 |
| PROFI CREDIT Slovakia, s.r.o. | 1 | 76 |
| Total short-term related party payables | 86 | 3 800 |

4.10. Payables to credit institutions**4.10.1. Long-term payables to credit institutions**2021

| Bank | (in CZK thousand) | |
|--------------------|---------------------------|---|
| | Balance as of 31 Dec 2021 | Form of collateral |
| Banking entity | 52 431 | Bill of exchange Pledged receivables |
| Non-banking entity | 510 000 | Bill of exchange |
| Total | 562 431 | |

2020

| Bank | (in CZK thousand) | |
|--------------------|---------------------------|---|
| | Balance as of 31 Dec 2020 | Form of collateral |
| Banking entity | 42 361 | Bill of exchange Pledged receivables |
| Non-banking entity | 450 000 | Bill of exchange |
| Total | 492 361 | |

4.10.2. Short-term payables to credit institutions, short-term financial assistance2021

| Creditor | (in CZK thousand) | |
|--------------------|---------------------------|---|
| | Balance as of 31 Dec 2021 | Form of collateral |
| Non-banking entity | 120 000 | Bill of exchange Pledged receivables |

| Bank | (in CZK thousand) | |
|----------------|---------------------------|---|
| | Balance as of 31 Dec 2021 | Form of collateral |
| Banking entity | 56 250 | Bill of exchange Pledged receivables |
| Banking entity | 147 678 | Bill of exchange Pledged receivables |
| Total | 203 928 | |

2020

| (in CZK thousand) | | |
|--------------------|----------------------------------|---|
| Creditor | Balance as of 31 Dec 2020 | Form of collateral |
| Non-banking entity | 120 000 | Bill of exchange Pledged receivables |
| Bank | Balance as of 31 Dec 2020 | Form of collateral |
| Banking entity | 1 667 | Bill of exchange |
| Banking entity | 0 | Bill of exchange Pledged receivables |
| Banking entity | 45 833 | Bill of exchange |
| Banking entity | 97 372 | Bill of exchange Pledged receivables |
| Total | 144 872 | |

4.11. Estimated payables - short-term

As of 31 December 2021, estimated short-term payables amount to CZK 13,616 thousand (CZK 13,348 thousand as of 31 December 2020) and predominantly include estimated interest expense.

4.12. Deferred income and accrued expenses

As of 31 December 2021, deferred income amounts to CZK 37 thousand (CZK 16 thousand as of 31 December 2020) and is represented by deferred contractual remuneration relating to consumer loans disbursed before 2011 which is gradually released to income.

As of 31 December 2021, accrued expenses amount to CZK 18,945 thousand (CZK 29,591 thousand as of 31 December 2020) and are represented mainly by commissions paid to credit advisors in the amount of CZK 7,625 thousand (CZK 17,834 thousand as of 31 December 2020).

4.13. Income tax

4.13.1. Deferred tax

The deferred tax liability can be analysed as follows:

| | (in CZK thousand) | |
|---|------------------------------|------------------------------|
| | Balance as of 31 Dec 2021 | Balance as of 31 Dec 2020 |
| Tax liability | | |
| Difference between accounting and tax residual value | 8 040 | 6 116 |
| Balance - customers – contractual fines | 1 476 336 | 1 631 460 |
| Balance - customers – default interest | 881 480 | 946 513 |
| Deferred tax liability - base in total | 2 365 856 | 2 584 089 |
| Tax asset | | |
| Creation of provisions for client contractual fines | 1 374 274 | 1 450 157 |
| Creation of provisions for client default interest | 627 451 | 677 162 |
| Future creation of tax provisions | 185 789 | 237 692 |
| Reserve for unused vacation days and other reserves | 2 106 | 18 707 |
| Deferred tax asset - base in total | 2 189 620 | 2 383 718 |
| Resultant base of deferred tax | 176 236 | 200 371 |
| Deferred tax - liability (2020: 19%, 2021: 19%) | 33 484 | 38 071 |
| Deferred tax already recognised | 38 071 | 66 960 |
| Deferred taxes reduced by contracts written off in 2020 | -1 | 0 |
| Deferred tax to be recognised in the profit and loss account | -4 586 | - 28 889 |

4.13.2. Tax charge

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

| | (in CZK thousand) | |
|--|------------------------------|------------------------------|
| | Balance as of 31 Dec 2021 | Balance as of 31 Dec 2020 |
| Profit before tax | 262 074 | 259 123 |
| Income tax rate | 19% | 19% |
| Tax under local income tax rate | 49 794 | 49 233 |
| Tax impact of non-deductible costs/revenues | - 18 013 | 38 617 |
| Withholding tax for current reporting period | 47 | 70 |
| Tax payable for current reporting period | 31 829 | 85 800 |
| Changes in deferred tax liability | -4 586 | -28 889 |
| Total income tax for regular activities | 27 243 | 56 911 |

4.14. Sales of services

| | (in CZK thousand) | | | | | |
|---|--------------------------|--------------|---------------|--------------------------|---------------|---------------|
| | Period ended 31 Dec 2021 | | | Period ended 31 Dec 2020 | | |
| | Domestic | Foreign | In total | Domestic | Foreign | In total |
| Revenues - sale of services (consulting services) | 2 928 | 5 728 | 8 656 | 2 718 | 15 062 | 17 780 |
| Revenues - provided trademarks | 0 | 3 003 | 3 003 | 0 | 4 243 | 4 243 |
| Revenues - renting of real estate | 653 | 0 | 653 | 70 | 0 | 70 |
| Revenues - other | 511 | 267 | 778 | 138 | 302 | 440 |
| Total sales of services | 4 092 | 8 998 | 13 090 | 2 926 | 19 607 | 22 533 |

4.15. Transactions with related parties

4.15.1. Revenues from transactions with related parties

2021

(in CZK thousand)

| Entity | Other revenues | Services | Total |
|-------------------------------|----------------|--------------|---------------|
| FLEXI FINANCE ASIA INC. | 0 | 1 242 | 1 242 |
| Profi Consulting s.r.o. | 0 | 0 | 0 |
| PROFI CREDIT Bulgaria, EOOD | 1 509 | 1 712 | 3 221 |
| PROFI CREDIT Polska S.A. | 1 520 | 1 766 | 3 286 |
| PROFI CREDIT Slovakia, s.r.o. | 243 | 810 | 1 053 |
| PROFIREAL Group SE | 708 | 2 923 | 3 631 |
| LLC MCC PROFIREAL | 0 | 198 | 198 |
| Total | 3 980 | 8 651 | 12 631 |

2020

(in CZK thousand)

| Entity | Other revenues | Services | Total |
|-------------------------------|----------------|---------------|---------------|
| FLEXI FINANCE ASIA INC. | 0 | 13 057 | 13 057 |
| Profi Consulting s.r.o. | 0 | 0 | 0 |
| PROFI CREDIT Bulgaria, EOOD | 1 527 | 3 208 | 4 735 |
| PROFI CREDIT Polska S.A. | 2 213 | 3 507 | 5 720 |
| PROFI CREDIT Slovakia, s.r.o. | 470 | 1 400 | 1 870 |
| PROFIREAL Group SE | 0 | 2 838 | 2 838 |
| LLC MCC PROFIREAL | 0 | 1 209 | 1 209 |
| Total | 4 210 | 25 219 | 29 429 |

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

4.15.2. Purchases with related parties

2021

(in CZK thousand)

| Entity | Services | Other expenses | Total |
|-------------------------------|------------|----------------|---------------|
| PROFI CREDIT Polska S.A. | 490 | 0 | 490 |
| Profi Consulting s.r.o. | 208 | 0 | 208 |
| PROFI CREDIT Slovakia, s.r.o. | 0 | 47 | 47 |
| PROFIREAL Group SE | 0 | 0 | 0 |
| Silversouth, a.s. | 0 | 0 | 0 |
| Profi Funding B.V. | 0 | 48 445 | 48 445 |
| Total | 698 | 48 492 | 49 190 |

2020

| (in CZK thousand) | | | |
|-------------------------------|--------------|----------------|---------------|
| Entity | Services | Other expenses | Total |
| PROFI CREDIT Polska S.A. | 882 | 0 | 882 |
| Profi Consulting s.r.o. | 497 | 0 | 497 |
| PROFI CREDIT Slovakia, s.r.o. | 0 | 70 | 70 |
| PROFIREAL Group SE | 0 | 0 | 0 |
| Silversouth, a.s. | 0 | 0 | 0 |
| Profi Funding B.V. | 0 | 14 643 | 14 643 |
| Total | 1 379 | 14 713 | 16 092 |

4.15.3. Other transactions with related parties

On 19 September 2018, the Company concluded a general agreement with PROFIFUNDING B.V. as the creditor. This loan contract is still active. The loan facility is set to CZK 1,200 million and the current interest rate is 9.5% p.a. The balance of the drawn and unpaid principal pursuant to this loan contract amounts to CZK 510,000 as of 31 December 2021; due interest and fees amount to CZK 3,844 thousand as of 31 December 2021.

4.16. Consumed purchases

| (in CZK thousand) | | |
|---------------------------------|--------------------------|--------------------------|
| | Period ended 31 Dec 2021 | Period ended 31 Dec 2020 |
| Material consumption | 2 128 | 2 196 |
| Energy consumption | 1 764 | 2 450 |
| Total consumed purchases | 3 892 | 4 646 |

4.17. Services

| (in CZK thousand) | | |
|-----------------------------------|--------------------------|--------------------------|
| | Period ended 31 Dec 2021 | Period ended 31 Dec 2020 |
| Repairs and maintenance | 1 128 | 1 115 |
| Travel expenses | 124 | 340 |
| Costs of representation | 1 665 | 1 253 |
| Telephone, fax, Internet, postage | 6 676 | 7 788 |
| Consultancy services and audit | 12 562 | 15 538 |
| Rent | 9 665 | 13 792 |
| Leasing | 3 710 | 13 163 |
| Intermediation of employees | 373 | 121 |
| Notary and legal services | 29 024 | 31 760 |
| Advertisements, commercials | 14 601 | 5 898 |
| Language translations | 2 | 62 |
| Other services | 32 615 | 30 609 |
| Total | 112 145 | 121 439 |

4.18. Sundry operating income

| (in CZK thousand) | | |
|---|--------------------------|--------------------------|
| | Period ended 31 Dec 2021 | Period ended 31 Dec 2020 |
| Contractual penalties and interest on overdue payment | 183 858 | 235 712 |
| Other operating income | 80 118 | 76 150 |
| Total | 263 976 | 311 862 |

In 2021, 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 36,413 thousand.

In 2020, 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 36,772 thousand.

4.19. Sundry operating expenses

| (in CZK thousand) | | |
|---|--------------------------|--------------------------|
| | Period ended 31 Dec 2021 | Period ended 31 Dec 2020 |
| Gifts | 320 | 434 |
| Other penalties and sanctions | 2 674 | 4 598 |
| Write-off of receivables and assigned receivables | 325 893 | 626 896 |
| Deficits and damages in operation | 0 | 23 |
| Other operating costs | 101 156 | 100 123 |
| Total | 430 043 | 732 074 |

In 2021, the Company wrote off receivables in the amount of CZK 34 thousand based on an ineffective result of distraint proceedings and receivables in the amount of CZK 320,994 thousand based on verdicts of insolvency proceedings.

In 2020, the Company wrote off receivables in the amount of CZK 272,226 thousand based on an ineffective result of distraint proceedings and receivables in the amount of CZK 354,203 thousand based on verdicts of insolvency proceedings.

4.20. Other financial revenues

| (in CZK thousand) | | |
|--------------------------|--------------------------|--------------------------|
| | Period ended 31 Dec 2021 | Period ended 31 Dec 2020 |
| Exchange rate gains | 179 | 302 |
| Other financial revenues | 720 028 | 890 053 |
| Total | 720 207 | 890 355 |

Other financial revenues include regular remunerations for the provision of credits or loans (main revenues of the Company). In 2021, there were provided 11,712 loans, which is 3,603 more contracts compared to 2020.

4.21. Interest expenses

| (in CZK thousand) | | |
|---|--------------------------|--------------------------|
| | Period ended 31 Dec 2021 | Period ended 31 Dec 2020 |
| Interest on bank credits | 10 064 | 13 410 |
| Other interest payable to other creditors | 47 604 | 68 228 |
| Intercompany interest | 40 547 | 2 731 |
| Total | 98 215 | 84 369 |

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 2021 and 2020 is as follows:

2021

| | (in CZK thousand) | |
|--------------------|-------------------|---------------------------------|
| | Number | Personnel costs in total |
| Employees | 127 | 101 023 |
| Company management | 4 | 6 160 |
| Total | 131 | 107 183 |

2020

| | (in CZK thousand) | |
|--------------------|-------------------|---------------------------------|
| | Number | Personnel costs in total |
| Employees | 175 | 151 554 |
| Company management | 11 | 8 559 |
| Total | 186 | 160 113 |

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 13,015 thousand and CZK 16,985 thousand in 2021 and 2020, 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 2021 and 2020, members of the Board of Directors and Supervisory Board received the following remuneration in addition to their basic salaries:

2021

| | (in CZK thousand) | |
|---|---------------------------|--------------------------|
| | Board of Directors | Supervisory Board |
| Remuneration | 3 808 | 0 |
| Cars / other movable and immovable items that might be used for private purposes (amounts increasing the employees' tax base) | 423 | 0 |
| Total | 4 231 | 0 |

2020

| | (in CZK thousand) | |
|---|---------------------------|--------------------------|
| | Board of Directors | Supervisory Board |
| Remuneration | 7 404 | 510 |
| Cars / other movable and immovable items that might be used for private purposes (amounts increasing the employees' tax base) | 511 | 0 |
| Total | 7 915 | 510 |

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. OTHER MATERIAL INFORMATION

The SARS CoV-2 coronavirus (which causes the disease COVID-19) had a major impact on the Company's operations in the past year. The Company itself had to adopt a number of safety measures which led to increased expenses in all areas.

Despite the described impact of the epidemic, the Company continues to operate fully without complications.

The ongoing military conflict in Ukraine and the related sanctions against the Russian Federation might have an impact on national economies in Europe and worldwide. The entity has no material direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economy might require a reassessment of certain assumptions and estimates. This may lead to material changes in the carrying amount of certain assets and liabilities in the next reporting period. Management cannot reliably estimate the impact at this time as events are unfolding day by day. Longer-term impacts may also affect business volumes, cash flows and profitability. However, at the date of these financial statements, the Company continues to meet its obligations properly and therefore applies the going concern assumption.

8. POST BALANCE SHEET EVENTS

No events occurred subsequent to the balance sheet date that would have a material impact on the Company's financial statements.

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 2021 to 31 December 2021

(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, a.s., with registered office at Prague 1, Klimentská 1216/46, 110 00, 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 Św. Wincentego 93/5, 03-291 WARSZAWA; **PROFI CREDIT Poland Sp. z o.o.**, with registered office at Browarna 2, 43-300 Bielsko-Biala; **PROFIDEBT Polska 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 Masarykovo náměstí 1544, Zelené Předměstí, 530 02 Pardubice; **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, **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 **MCC PROFIREAL, LLC** with registered office at Vsevolda Vishnevskogo 12, Liter A, premise 2H, office 401, 197 136 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, PROFICREDIT Slovakia, s.r.o., with its registered office at Pribinova 25, 824 96 Bratislava, Southstream, a.s., with registered office at Masarykovo náměstí 1544, Zelené Předměstí, 530 02 Pardubice, Silversouth, a.s., with registered office at Masarykovo náměstí 1544, Zelené Předměstí, 530 02 Pardubice, Strongwest, a.s., with registered office at Masarykovo náměstí 1544, Zelené Předměstí, 530 02 Pardubice, and TH Real, a.s. with registered office at Thunovská 192/27, 118 00 Prague 1 – Malá Strana.

During the reporting period from 1 January 2021 to 31 December 2021 concerned, no 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 2021, 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

Sublease agreement for business premises dated 21 May 2021

Vehicle lease agreement dated 1 September 2020

The following agreements were concluded or performed by the Company and other parties controlled by the controlling entity in the reporting period ended 31 December 2021:

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

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 PROFİ FUNDİNG B.V.

The loan contract dated September 2018

with LLC MCC PROFİREAL

Master service agreement dated 1 January 2014

with PROFİ 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

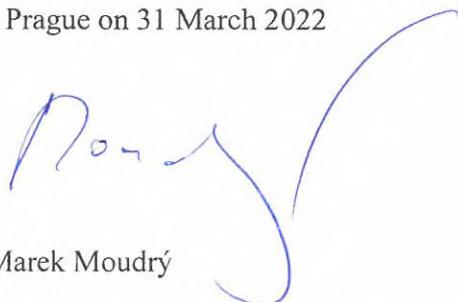
Licence agreement for use of a trademark dated 9 February 2009, as amended by later amendments

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 PROFİREAL Group chiefly as a result of providing the other companies with the trademark PROFİ 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. 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 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 2022



Marek Moudrý

Member of the Board of Directors



Petr Florián

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:

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