

OUR FAMILY

is still
growing

CONTENTS

1.	A WORD OF INTRODUCTION FROM PETR BORKOVEC, CHAIR OF THE BOARD OF DIRECTORS	2
2.	PROFILE OF THE COMPANIES IN THE PARTNERS FINANCIAL GROUP	6
3.	PROJECTS	12
4.	COMPLIANCE OF THE ACTIVITIES AT PARTNERS FINANCIAL GROUP WITH REGULATIONS GOVERNING ACTION ON THE FINANCIAL MARKET	13
5.	ORGANISATION STRUCTURE OF THE PARENT COMPANY AND STRUCTURE OF THE PARTNERS FINANCIAL GROUP	16
6.	PRODUCT PORTFOLIO AND SCOPE OF COMPANY ACTIVITY IN THE PARTNERS FINANCIAL GROUP	20
7.	ECONOMIC RESULTS IN 2020	22
8.	BUSINESS PARTNERS	24
9.	SUCCESSSES IN 2020	26
10.	TARGETS FOR 2021	28
11.	ACTIVITIES IN THE SPHERE OF RESEARCH AND DEVELOPMENT	29
12.	INFORMATION ABOUT THE ACQUISITION OF TREASURY SHARES OR OWN STAKES	29
13.	THE ENVIRONMENTAL IMPACT OF COMPANY ACTIVITY	30
14.	EMPLOYMENT RELATIONSHIPS	30
15.	SIGNIFICANT EVENTS FOLLOWING THE DATE OF THE FINANCIAL STATEMENTS	31
16.	ECONOMIC RESULTS OF CONSOLIDATED COMPANIES FOR 2020	32
17.	REPORT OF THE BOARD OF DIRECTORS OF PARTNERS FINANCIAL SERVICES, A.S., ON THE BUSINESS ACTIVITY OF THE COMPANY AND ON THE LEVEL OF ITS ASSETS FOR THE YEAR 2020	104
18.	REPORT ON RELATIONS	108



1. A WORD OF INTRODUCTION FROM PETR BORKOVEC, CHAIR OF THE BOARD OF DIRECTORS

The year 2020 differed in many ways to previous years on account of the pandemic. Never the less, Partners recorded major growth in investment and mortgages and surpassed the two billion koruna mark in group turnover.

As for one-off investments, clients closed out investments valued at more than billion CZK 3 ("BCZK"). We therefore jumped more than 44%, and indeed 54% in terms of regular investments. The average regular investment is presently CZK 2,200 a month for a term of 14 years. In total, the company manages around BCZK 20 for clients.

Whereas mortgages fell by 20% in 2019, the year-on-year growth is now 40%. Last year we arranged housing loans for clients at a value of over BCZK 23. The average mortgage rose by one-fifth to million CZK 2.6 ("MCZK") and the total of all arranged loans surpassed 26 BCZK.

Focus on insurance policies

I am delighted with our portfolio-creation business in non-life insurance. We grew new output for cars and property by more than 30%. Total assets are now MCZK 505, which is still just a drop in the ocean on the market when it comes to non-life insurance.

As for life insurance, after three years of growth and a great second half-year in 2019 we saw a year-on-year decrease in output of 5%. The number of contracts and the average premium are both lower.

In the second half of 2020, however, we launched a major campaign aimed at older life insurance policies that have not been updated, while a call centre which called out as part of the campaign had a success rate in arranging meetings of over 75%.

A third of the company

Franchises, which now account for a one-third share of the turnover at the company as a whole, were a growth area. Output rose 23% year-on-year. The "franšiza servisuje" (Franchise services) regime also brought excellent results, accounting for 7% of the turnover of the entire company.

There is also positive growth in the mental limits of incomes and turnovers among an ever-increasing number of advisors and an influx of newcomers to the business. In 2010 the average turnover of every person at the company, including newcomers and trainees, was thousand CZK 320 ("TCZK"). This figure stood at TCZK 820 in 2017 and was more than MCZK 1. The average income of managers, franchisees, VIP CO, SC, and VIP C rose from MCZK 1.2 million to MCZK 1.4.

We were able to bring in more people to this functioning business model last year. More than 930 newcomers arrived, meaning almost 50% more than in 2019. We also celebrated many promotions to management positions, and many new directors.

Confirmation of the trend

The trend that began in servicing has merely been confirmed. Portfolios of contracts and the commission from them remain the driving force. Subsequent commission rose by 40%, regularly paid commission from contracts by more than 110%. Our calculations suggest that the share of automatically-generated contracts in absolute turnover will reach 30% next year.

What does this mean? That being comprehensive and long-termist and building portfolios of investments, life and non-life insurance is paying off on serviced clients. The foundation of it all is a thorough, properly conducted analysis from which

everything emerges automatically. In order to implement the entire portfolio, we need to mix up the set processes and provide the client with regular servicing, excellent communication, interest, and availability.

Focused on servicing

We placed major emphasis in 2020 on moving forward in our approach to the client portfolio and the servicing of existing clients. This is such a massive and fundamental theme that we will keep focusing on it in the years to come. The aim is to make sure that the client is enthused by the comprehensive service and regularly-updated portfolio.

The first step in our plan was to check the entire database and find out who is in it and who wants to remain, or otherwise. This resulted in the removal of tens of thousands duplicate analyses and further sorting of the client portfolio using the "Skupiny" (Groups) tool in FiP. We will continue in our cleaning, prioritisation, and sorting of the portfolio.

Special "Centrální servisní skupiny" (Central Servicing Groups), a tool for mass mailing in FiP, and "Report servisních hříchů" (Servicing Transgressions Report) all now help with servicing, in addition to Skupiny of course. The most significant move toward a simpler, professional approach, however, was "Servisní analýza" (Servicing Analysis) in Anakin.

We also supported effective and targeted servicing using specific campaigns to arrange meetings with non-serviced clients. The most successful concerned old life-insurance contracts, as part of which we registered 8,000 cases of interest in a meeting in the autumn.

The group is getting stronger

In addition to support for client servicing, we also took important steps last year to strengthen the financial group. Trigea became the best real estate fund on the market and now manages BCZK 1.3 for its clients. Partners investiční skupina funds fared incredibly well and again earned a performance bonus for the management of the funds. Our Bond Opportunity achieved appreciation in value of almost 3% and our 7Stars 10%.

Simplea has its first year of full operation under its belt, confirming that it is an insurance company with great servicing for advisors and clients. Instant responses and advice to advisors and good, honest performance to clients, confirming the guarantee of performance given at the start of the project, are

a matter of course. The remote arrangement of contracts and online personal questionnaires were achieved during the year at unbelievable speed.

Our pension company Rentea was awarded a licence to undertake activity by the Czech National Bank at the end of the year. We are now waiting for a licence for funds and are ready to launch Rentea right away. Clients can look forward to the benefits that come from cooperation with the largest investment company in the world, BlackRock, and to an above-standard loyalty bonus, in that we will pay them a minimum of 1% of their average balance on the contract every five years. Advisors, meanwhile, can expect excellent support from a team led by Martin Švec.

We also took great strides in our preparations to launch a bank. We took on a key team of experienced bankers during the year and built a business model for the bank based on the sensational cliental proposition of accounts and loans. We stuck to the plan and lodged an application for a banking licence with the Czech National Bank just before the end of the year.

Warren rules investments

The year 2020 was also key from the perspective of important support tools for advisors and managers. In addition to the "Servisní analýza" already mentioned, we should also point to investment reporting in Warren and the online arrangement of first partner contracts. Warren remains a priority in 2021. Newly-available are "Srovnávač metodik životního pojištění" (Comparison of life insurance methodologies) and "Srovnávač a Sjednávač neživotního pojištění" (Comparison and Arrangement of non-life insurance) in FiP. The launch of the Elon e-learning platform, which provides practical training in business skills and instructions on how to use advice tools, was also fundamental.

The approval of and applications for a mortgage also underwent innovation. We were able to bring in another bank, Česká spořitelna, with a fully electronic process of applying for a mortgage. In 2021 we would like to add Hypoteční banka, with Moneta also in line.

Priorities for 2021

The main themes of the current year are perfect service and quality data thanks to excellent servicing, a comprehensive service, a human approach, helpfulness, and consistent guarantor work among newcomers. The aim is to improve what is known as the NPS valuation of our clients over the long term.

Another major topic linked to servicing is preparation for a mobile application for clients that will connect all companies in the group, advice centres, and the bank in one excellent, user-friendly and comprehensible package. An application that will help advisors in their work and clients in having an overview of their financial world.

Otherwise we will improve existing tools and focus on better servicing for advisors and managers via Wiki, a passive line, or FiP support. We will launch ourselves into the pensions business with great energy and will deal with the long-standing ineffectiveness of transformed funds with clients. As ever, I am looking forward to it all.



Petr Borkovec

Chair of the Board of Directors
Partners Financial Services, a.s.

2. PROFILE OF THE COMPANIES IN THE PARTNERS FINANCIAL GROUP

2.1. Companies in the Partners financial group in 2020

Partners Financial Services, a.s. (hereinafter referred to as “**Partners**”) has since its foundation been engaged in providing financial advice services and the intermediation of financial products in the Czech Republic.

Partners was originally entered in the Commercial Register on 23 August 2006 under the trade name of NOSTIMO, a.s. It was renamed Partners For Life Planning, a.s., on 14 June 2007 and took on its present name of Partners Financial Services, a.s., on 1.1.2012. Partners is entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 12158.

Partners did not have a branch or other part of the business abroad as at 31.12.2020.

Partners released a total of four ordinary treasury shares on 18.8.2020, entailing a stake of 0.2% in the registered capital and voting rights of the company. Partners did not own any treasury shares by 31.12.2020.

The business activities in which Partners is involved are the activities of an investment intermediary, independent intermediary according to the Act on the Distribution of Insurance and Reinsurance, investment intermediary of consumer loans, investment intermediary according to the Act on Supplementary Pension Plans (under the joint registration of an investment intermediary until 1.4.2020) and intermediary of other financial products whose intermediation is not regulated by special law, specifically building savings, business loans, current and savings accounts, and investment gold.

In addition to this, Partners also operates the services of administrative management and services of an organisational and

economic nature, under which it provides business loans and credit. Partners also provides the services of accounting advisors, accounting, and keeping tax records, primarily for other companies in the Partners financial group.

Partners holds stakes in the following licenced entities in the Partners financial group, as active on the financial market: Partners investiční společnost, a.s. – stake of 100 %, Simplea pojišťovna, a.s. – stake of 50.01%, Trigea nemovitostní fond, SICAV, a.s. – stake of 65 %, and Rentea penzijní společnost, a.s. – stake of 50.01%. An application was also lodged in December 2020 for permission to undertake the activity of a bank for Partners Branka, a.s., in which Partners holds a direct stake of 5 %.

Partners constituted a consolidated whole with the following companies in 2020:

Partners investiční společnost, a.s. (hereinafter referred to as “**Partners investiční společnost**” or “**PIS**”) is a subsidiary of Partners and has been active on the market since the end of 2010. The company’s business activity involves the management of investment funds and foreign investment funds, the administration of investment funds and foreign investment funds, and the management of customer assets, one part of which is an investment tool based on discretion within the parameters of a contractual arrangement (portfolio management). Partners is the single shareholder in Partners investiční společnost.

Simplea pojišťovna, a.s. (hereinafter referred to as “**Simplea pojišťovna**”) is a subsidiary of Partners that obtained a licence for its activity at the beginning of 2019 and moved into full operation on 1 July 2019. It differs from traditional insurance companies in its technological advancement and simple insurance contract, with a minimum of exclusions. Insurance focuses on serious risks, such as long-term loss of income when seriously ill or injured, disability, and death. The competitive

advantage held by Simplea pojišťovna lies in its own, tailor-made administration system, on the further development of which the insurance company works continually and which makes it possible to deal with client requirements effectively and quickly. Partners owns a direct stake of 50.01% in Simplea pojišťovna and an indirect stake via Partners Inln.

Trigea nemovitostní fond, SICAV, a.s. (hereinafter referred to as “**Fond Trigea**”) was founded in cooperation with Mr. Tomáš Trčka at the end of 2018. Since then Partners investiční společnost has carried out the activity of administrator and manager. The fund is classified as an externally-managed special fund that invests in real estate. Fond Trigea has so far created one sub-fund, Podfond Trigea, which began its activity on 1 April 2019 with a public share subscription offer. In October 2019 an application was lodged with the Czech National Bank for the award of a licence to undertake the activity of an internally-managed investment fund. Procedure at the Czech National Bank was still ongoing on the date of compilation of this annual report. The total volume of assets under the management of Podfond Trigea at the close of 2020 was BCZK 1.2. Partners owns a 65-% stake in Fond Trigea.

Partners Inln, a.s. (hereinafter referred to as “**Partners Inln**”) was founded in 2017 for the needs of separating a specific type of investment and the opportunity to carry out various options programmes in relation to those investments. Partners Inln practically does not carry out any activity other than managing its own assets. The 2nd tranche of Akciový program Partners (Partners Share Programme) was implemented in the second half of 2020, based on which financial advisors at Partners were able to acquire shares in Partners Inln. Partners Inln holds a stake of 49.99% in Simplea pojišťovna. Partners held a stake of 26.733% in the registered capital of Partners Inln at the end of 2020.

Partners PenIN, a.s. (hereinafter referred to as “**Partners PenIN**”) was founded in November 2019. Its sole activity is the management of its own assets, the company serving for the execution of various options programmes in relation to Rentea penzijní společnost, a.s., in which it holds a stake of 49.99%. Partners holds a stake of 49.99% in Partners PenIN.

Partners media, s.r.o. (hereinafter referred to as “**Partners media**”) is a subsidiary of Partners. Its main task is to run www.penze.cz, a personal finance website, www.finmag.cz, a magazine about the world of finance in contexts, and www.heroine.cz, a website for women. In addition to this, Partners media operates a comparison site of financial products at www.usetri.penze.cz, clones of which are found in the economic sections of leading Czech news sites. The managing director and manager of the company in one is Martin Vlnas. Partners is the single member in Partners media.

Rentea penzijní společnost, a.s. (hereinafter referred to as “**Rentea penzijní společnost**”) is a subsidiary of Partners that obtained a licence for the activity of a pension company in November 2020. It will, however, launch the actual operation of pension activity at the end of the 1st half of 2021 following approval of the statutes of three participating funds and will offer its product solely through the Partners distribution network. Rentea penzijní společnost was founded on 25.11.2020, but its first accounting period will be extended to 31.12.2021. Partners owns a direct stake of 50.01% in Rentea penzijní společnost and an indirect stake of 24.9001% via Partners PenIN.

A-WebSys, spol. s r.o. (hereinafter referred to as “**A-WebSys**”) is also a subsidiary of Partners, and was founded at the end of 2003. Partners has held a 50-% stake in the company since December 2016. The company focuses on providing IT services, services which are primarily used throughout Partners in the development of tools for financial advisors and clients. A-WebSys is also a recommended supplier to business partners of Partners in the event that they are dealing with placing their forms and tools within the Partners system.

Partners also held these stakes in the following companies as at 31.12.2020:

- 1) a stake of 35.3% in the registered capital and voting rights of the company **Simply Fair Insurance a.s.**, having its registered office at Libalova 2348/1, Chodov, 149 00 Prague 4, Company Number: 080 20 400, entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 24309 (stake sold, contract of purchase concluded, but transaction still not closed out);
- 2) a stake of 100% in the registered capital of the company **PBK Technology, s.r.o.**, having its registered office at Türkova 2319/5b, Chodov, 149 00 Prague 4, Company Number: 092 33 971, entered in the Commercial Register maintained at the Metropolitan Court in Prague, file C 332999 (stake sold on 31.3.2021);
- 3) a stake of 5% in the registered capital and voting rights of the company **Partners Branka, a.s.**, having its registered office at Türkova 2319/5b, Chodov, 149 00 Prague 4, Company Number: 097 27,094, entered the Commercial Register maintained at the Metropolitan Court in Prague, file B 25885;
- 4) a stake of 100% in the registered capital and voting rights of the company **Partners Bankln, a.s.**, having its registered office at Türkova 2319/5b, Chodov, 149 00 Prague 4, Company Number: 096 02,887, entered the Commercial Register maintained at the Metropolitan Court in Prague, file B 25749.

The company also held stakes in the following two companies during 2020, gradually releasing those stakes:

1) a stake of 100% in the registered capital of the company **Flotila Service, s.r.o.** (Previously Partners akademie, s.r.o.), having its registered office at Türkova 2319/5b, Chodov, 149 00 Prague 4, Company Number: 24725285, entered in the Commercial Register maintained at the Metropolitan Court in Prague, file C 169080 (stake held until 5. 6. 2020);

2) a stake of 70% in the registered capital of the company **PM Vysočany s.r.o.**, having its registered office at Sokolovská 979/209, 190 00 Prague 9 - Vysočany, Company Number: 03074170, entered in the Commercial Register maintained at the Metropolitan Court in Prague, file C 227215 (stake held until 28. 8. 2020).

The asset structure of the company in the Partners financial group and of other related parties further ensues from the chart shown in the annex Report on relations between the controlling company and the controlled company and between the controlled company and companies controlled by the same controlling company, which is a part of this consolidated annual report.

Basic information about Partners and the companies constituting a consolidated whole with it - valid as at 31.12.2020

PARTNERS FINANCIAL SERVICES, A.S.	
joint stock company entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 12158, on 23.8.2006	
having its registered office at	Türkova 2319/5b, Chodov, 149 00 Prague 4
Company Number	27699781
registered capital	CZK 100,000,000

Governing body– board of directors:	
Chair of the Board of Directors:	Ing. Petr Borkovec
Vice-Chair of the Board of Directors	Mgr. Petr Bartoš
Vice-Chair of the Board of Directors	Ing. Mgr. Lada Kičmerová
Member of the Board of Directors	Ing. Tatiana Purdiaková

Member of the Board of Directors	Gabriela Beránková Kudrnová
Member of the Board of Directors:	Mgr. Simona Machulová
Supervisory Board:	
Chair of the Supervisory Board:	Ing. Lucie Simpartlová
Member of the Supervisory Board:	Radim Lukeš

PARTNERS INVESTIČNÍ SPOLEČNOST, A. S.	
joint stock company entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 16374, on 5.8.2010	
having its registered office at	Türkova 2319/5b, Chodov, 149 00 Prague 4
Company Number	24716006
registered capital	CZK 20,000,000

Governing body – board of directors:	
Chair of the Board of Directors	Ing. Lucie Simpartlová
Vice-Chair of the Board of Directors	Ing. Petr Borkovec
Member of the Board of Directors	Mgr. Ing. Martin Mašát, CFA, FRM

Supervisory Board:	
Chair of the Supervisory Board	Ing. Petr Kroupa
Vice of the Supervisory Board	Ing. Jitka Lucbauerová
Member of the Supervisory Board	Ing. Tatiana Purdiaková

SIMPLEA POJIŠŤOVNA, A.S.	
joint stock company entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 24193, on 8.2.2019	
having its registered office at	Türkova 2319/5b, Chodov, 149 00 Prague 4
Company Number	07880014
registered capital	CZK 105,000,000

Governing body– board of directors:	
Chair of the Board of Directors	Mgr. Martin Švec
Vice-Chair of the Board of Directors	Ing. Stanislav Burian (from 11. 11. 2020, member since 8. 2. 2019)
Member of the Board of Directors	Bc. Markéta Vokřínková, DiS.
Member of the Board of Directors	Mgr. Šárka Fišarová (from 10. 11. 2020)
Member of the Board of Directors	Ing. Lucie Jurníčková (from 10. 11. 2020)

Supervisory Board:	
Chair of the Supervisory Board	Mgr. Simona Machulová
Member of the Supervisory Board	Ing. Lucie Simpartlová
Member of the Supervisory Board	RNDr. Zuzana Kepková

TRIGEA NEMOVITOSTÍ FOND, SICAV, A.S.	
joint stock company entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 24277, on 13.3.2019	
having its registered office at	Türkova 2319/5b, Chodov, 149 00 Prague 4
Company Number	07973179
registered capital	CZK 200,000

Governing body– board of directors:	
Member of the Board of Directors	Partners investiční společnost, a.s.
represented in the discharge of a function by	Ing. Tomáš Trčka
represented in the discharge of a function by	David Příkryl (until 31. 3. 2021)

Supervisory Board:	
Chair of the Supervisory Board	Ing. Tatiana Purdiaková
Member of the Supervisory Board	Radim Lukeš

PARTNERS ININ, A.S.	
joint stock company entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 23044, on 30.11.2017	
having its registered office at	Türkova 2319/5b, Chodov, 149 00 Prague 4
Company Number	06641199
registered capital	CZK 2,000,000

Governing body– board of directors:	
Member of the Board of Directors	Ing. Petr Borkovec

Supervisory Board:	
Member of the Supervisory Board	Radim Lukeš
Member of the Supervisory Board	Ing. Tatiana Purdiaková

PARTNERS PENIN, A.S.	
joint stock company entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 24844, on 15.11.2019	
having its registered office a	Türkova 2319/5b, Chodov, 149 00 Prague 4
Company Number	02054817
registered capital	CZK 2,000,000

Governing body– board of directors:	
Member of the Board of Directors	Ing. Petr Borkovec

Supervisory Board:	
Member of the Supervisory Board	Radim Lukeš
Member of the Supervisory Board	Ing. Tatiana Purdiaková

PARTNERS MEDIA, S.R.O.	
limited liability company entered in the Commercial Register maintained at the Metropolitan Court in Prague, file C 173681, on 14.12.2010	
having its registered office at	Türkova 2319/5b, Chodov, 149 00 Prague 4
Company Number	24780553
registered capital	CZK 20,000,000

Governing body - Managing Director:	
	Bc. et Bc. Martin Vlnas

RENTEA PENZIJNÍ SPOLEČNOST, A.S.	
joint stock company entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 25850, on 25.11.2020	
having its registered office at	Türkova 2319/5b, Chodov, 149 00 Prague 4
Company Number	09701125
registered capital	CZK 50,000,000

Governing body– board of directors:	
Chair of the Board of Directors	Mgr. Martin Švec
Vice-Chair of the Board of Directors	Ing. Stanislav Burian
Member of the Board of Directors	Bc. Markéta Vokřínková, DiS.
Member of the Board of Directors	Ing. Marek Ditz
Member of the Board of Directors	Ing. Lucie Jurníčková

Supervisory Board:	
Chair of the Supervisory Board	Mgr. Simona Machulová (member since 25. 11. 2020, chair since 30. 11. 2020)
Member of the Supervisory Board	RNDr. Zuzana Kepková
Member of the Supervisory Board	Ing. Martina Kvičalová

A-WEBSYS, SPOL. S R.O.	
limited liability company entered in the Commercial Register maintained at the Regional Court in Brno, file C 44344, on 19.11.2003	
having its registered office at	Kounicova 966/67a, Veverí, 602 00 Brno
Company Number	26910560
registered capital	CZK 200,000

Governing body - Managing Director:	
	Ing. David Pres
	Mgr. Petr Bartoš

2.2. The philosophy of the Partners group

We founded Partners in 2007 with the aim of showing that quality financial advice is, in spite of the prejudices at large, an excellent service with huge added value for every client. Our philosophy is captured in the slogan “Finanční poradenství JINAK” (A different way of financial advice). We go our own way, come up with new ideas and projects, and in doing so change the Czech market. The client always comes first, and that is why we are straight with them. You see, we believe in lifelong partnership and advice.

Since our inception, the company has earned the trust of more than half a million clients. We are the largest independent financial advice company on the market, providing objective, individual, and comprehensive advice. At Partners we stick to a service process of Analysis, Advice, and Servicing. We offer multiple ways of doing business for different types of people. All of our advisors, however, must act according to a code of ethics, regularly supplement their education, do their work to the maximum, and satisfy set professional and volume criteria.

We want only the best products for our clients, products that will fully suit them. Our advisors, meanwhile, are able to use outstanding tools so as to be able to execute a financial plan and provide perfect servicing. Our dream is to be a symbol of quality and stability for clients and the best partner in business to advisors.

This is one reason we are building the Partners financial group. In 2011 we launched Partners investiční společnost, and two years later we opened the first branch of Partners market with banking services. This was followed by Simplea life insurance company and Trigea real estate fund, which were joined by Rentea pension company in 2021. The group also includes Partners media and its printed periodicals and websites Peníze.cz, Finmag.cz, and Heroine.cz.

Our experience has taught us that various financial myths still prevail and that people do not have enough information. That is why we have, since 2011, been supporting financial education for children, the general public, and experts alike through our non-profit project “Den finanční gramotnosti” (Financial Literacy Day).

3. PROJECTS

In 2020 we concentrated a great deal on the client portfolio and servicing for existing clients. We developed new tools that will make it easier to sort clients and work with clients in general. We also introduced a new online education platform and took steps to expand our financial group.

Fundamental projects in 2020

Partners Financial services, a.s. (Servicing Analysis - SA)

One key topic in 2020 was servicing, in IT and elsewhere. Servisní analýza was completed for advisors in the autumn, a specialised tool that makes it possible to update data about clients that are already in FiP in Anakin. SA makes it possible for us to present the client's portfolio to the client, connect to Warren, and carry out a transaction for servicing. SA is also a way of proving the provision of servicing with a meeting, meaning fulfilling the criteria of servicing, which is the foundation of quality client care over the long-term.

The end of duplication

We dedicated last year to work with the client portfolio. We cleared the databases of people that no longer want to be clients of Partners, removed 45 thousand duplicate analyses in FiP, and introduced a module to prevent any further duplication. We also put a new system in place for the management of "orphans". "Orphans" are now immediately provided with a new advisor once the old one finishes, and this new advisor contacts them. Three basic groups for client servicing were created in "Důležité skupiny" (Important Groups), termed "Servis priorit" (Servicing Priority) 1, 2, 3, to ensure better work with the unserved client portfolio.

The "S námi vám to vyjde" campaign

We launched the nationwide "S námi vám to vyjde" (It'll work for you with us) campaign in the autumn of 2020. The aim was to increase trust in the brand and in Partners itself. To support recruitment, business, client loyalty, and awareness of the brand. We appeared on more than 100 bigboards in the 10 largest cities in the Czech Republic. Moving banners for Partners featuring the faces of our advisors appeared on Facebook, Instagram, and important news sites. The campaign was further supported by dozens of PR articles on the main media websites.

Elon education platform

The Elon e-learning platform brings a further dimension to education. It offers its users the chance to learn from a distance. One of the ideas of the whole concept is to make it easier for managers, directors, and everyone who leads people to incorporate a new recruit and ensure their subsequent education. E-learning primarily replaces seminars such as Start Up. There are currently 30 courses on offer, with others to follow; for example courses on recruitment, the methodology of building, acquisition of clients, etc.

Rentea pension company

Licensing procedure was ongoing all last year, culminating in November 2020 with the award of a licence by the Czech National Bank. We were simultaneously working on the launch, most time taken up by the implementation of the operating system and its connection to the Partners system. We also chose a name for the pension company, prepared the design and the marketing strategy. Procedure is currently underway for the approval of individual participating funds, and we hope that we will be able to get started in the first half of 2021.

Partners bank

Preparation work on the papers required to lodge an application for a banking licence began in June 2020, and we were able to lodge the application at the end of December. As part of our preparation work we founded 3 legal entities, one of which, Partners Branka, a.s., submitted the licence application. A significant part of the application concerns the system of governance and control, meaning the regulation base of the future bank and its commercial and strategic plan.

Trigea nemovitostní fond, SICAV

Trigea acquired its second property in February of last year: Obchodní centrum Plzeň – Rokycanská (Plzeň – Rokycanská shopping centre). The property covers an area of 27 thousand sqm. In spite of the coronavirus hitting only a few weeks after acquisition, the centre has shown itself to be adaptable to the negative situation and is working very well.

The fund ascribed its clients appreciation in value of 5.64% last year. It also remains stable in leading positions in comparison with other retail funds in the Czech Republic.

4. COMPLIANCE OF THE ACTIVITIES AT PARTNERS FINANCIAL GROUP WITH REGULATIONS GOVERNING ACTION ON THE FINANCIAL MARKET

Partners Financial Services, a.s.

Partners has a robust system of governance and control which enables it to stay compliant with regulations which govern action on the financial market by setting out rules and binding procedures and at the same time controls, primarily in relation to financial advisors, and sanctions when breaching obligations. The internal regulations which are part of the system of governance and control are regularly updated so as to correspond to amendments to the related legal regulations and changes to internal procedures at Partners.

Seven internal regulations were significantly updated in 2020, particularly in connection with the launch of the Warren application and with the obligation to record telephone calls concerning investment consultancy and the introduction of the process of remote identification (known as "Amálka"). The corresponding controls were established in the internal control system, together with the new or modified processes.

Partners also had to make significant changes to its processes, both internal processes and those of our business partners, in connection with the Covid-19 pandemic. In addition to the development of alternative ways of concluding product contracts among our business partners, the need arose to appraise the use of various online platforms, primarily with regard to personal data protection and introduction of the process of remote identification. All information about the changes and new processes had to be passed on to financial advisors in a clearly-arranged way, and this was done in special e-mails and using a special folder at WIKI.

The number and procedures involved in on site inspections were also influenced by the pandemic. Instead of these, (temporary) new inspections were introduced in connection with the modified processes. This year we plan to get on site inspections up and running again not later than in the second half of the year. The inspections that our business partners carry out of us were mostly remote, done by either sending a control sample or sending a questionnaire. A total of 36 such inspections were undertaken in 2020, none finding any serious shortcomings.

The numbers and types of complaints that clients had in 2020 did not show any negative trend. Partners received 108 client complaints during the period in question, most concerning life insurance (37) and non-life insurance (41). 68 complaints were recognised, or partially so, 34 were deemed unjustified, and 6 are still being handled.

2 supervisory questions were dealt with in 2020 at the call of the Czech National Bank. The first concerned product management, in that we received a call to introduce corrective measures at the close of the year. Accordingly, we proposed a plan for the adjustment of the product management process and scheduled implementation by 31.4.2021. The second supervisory question concerned our investment questionnaire and the process of investment consultancy. We received a call to arrange for the rectification of identified shortcomings in relation to this at the beginning of April 2021 and are currently working on corrective measures.

The objections lodged by Partners to the findings of an inspection specified in the inspection report of Úřad pro ochra-

nu osobních údajů (Office for Personal Data Protection) of 4 March 2019 were settled on 31.8.2020, in that the objection was rejected. The inspection concerned the use of a dynamic biometric signature. The Office for Personal Data Protection subsequently, in April 2021, handed down a decision which imposed on the Company the obligation not to collect and not to store clients' dynamic biometric signatures. The decision is not yet final, and Partners is exercising the possibility of appeal provided by law.

Partners investiční společnost, a.s.

An inspection was initiated at Partners investiční společnost by the Czech National Bank in December 2019. The on site inspection went ahead at the beginning of 2020, with the final inspection report delivered to the company in March 2020. The company did not lodge any objections to the findings stated in the inspection report. In response to the wording of the inspection report, the company wrote up a statement comprising comments and proposed corrective measures regarding individual findings, together with deadlines for taking such measures, and this was sent to the Czech National Bank. The Czech National Bank was informed of the taking of corrective measures and the dates of their implementation following reciprocal communication with the company at the end of October 2020.

Apart from this inspection, neither Partners investiční společnost nor the collective investment funds which it manages were party to any other administrative, judicial, or arbitration dispute in 2020.

Trigea nemovitostní fond, SICAV, a.s.

Judicial proceedings were initiated against Trigea nemovitostní fond, SICAV, a.s., the company Trigema a.s. bringing an action at the Metropolitan Court in Prague for the protection of its trade name, protection against unfair competition, and protection against unauthorised encroachment on rights to trade marks. No decision had been taken in this judicial case by the time of compilation of this annual report.

The company was not party to any other administrative, judicial, or arbitration dispute in 2020.

Simplea pojišťovna, a.s.

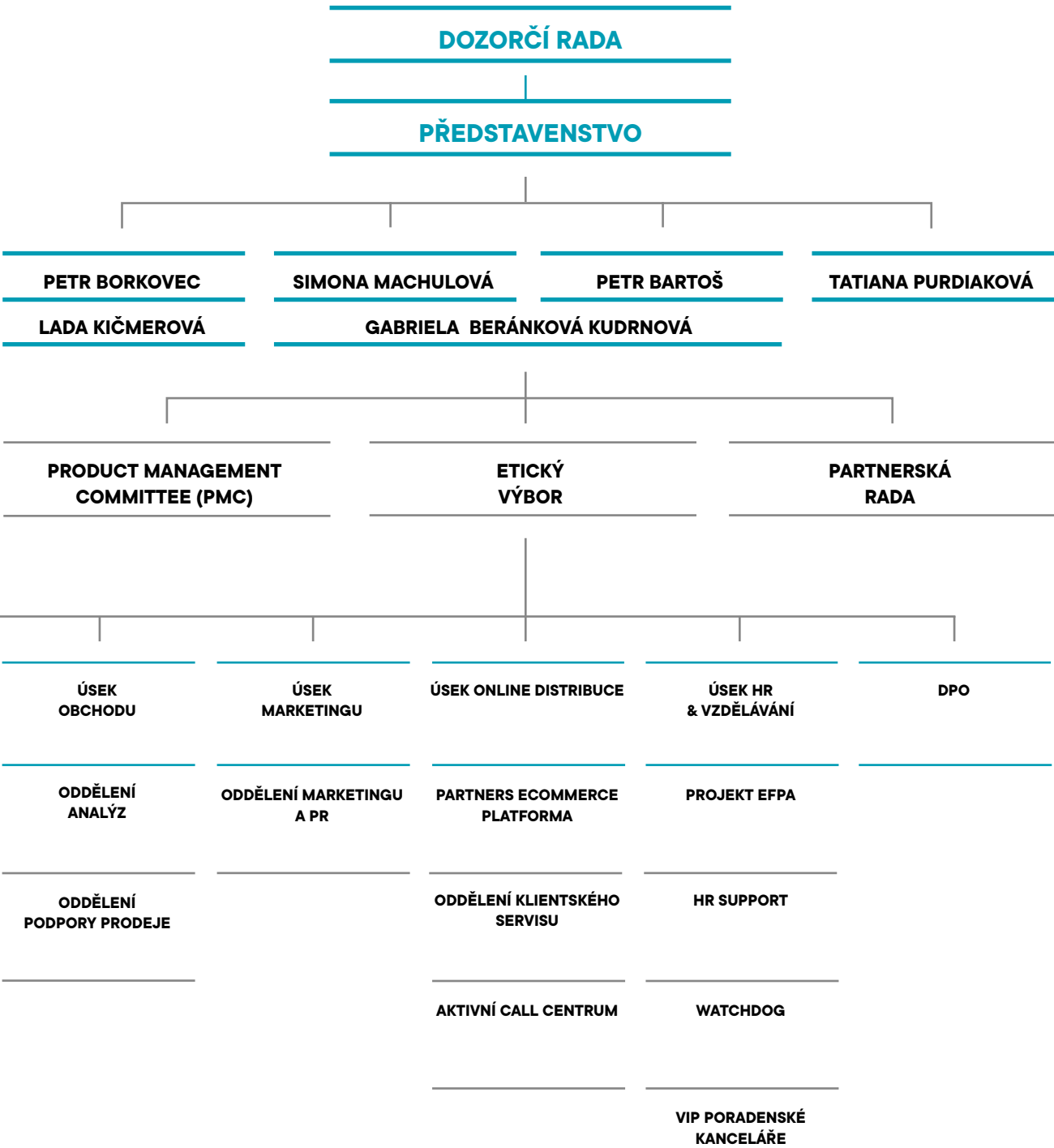
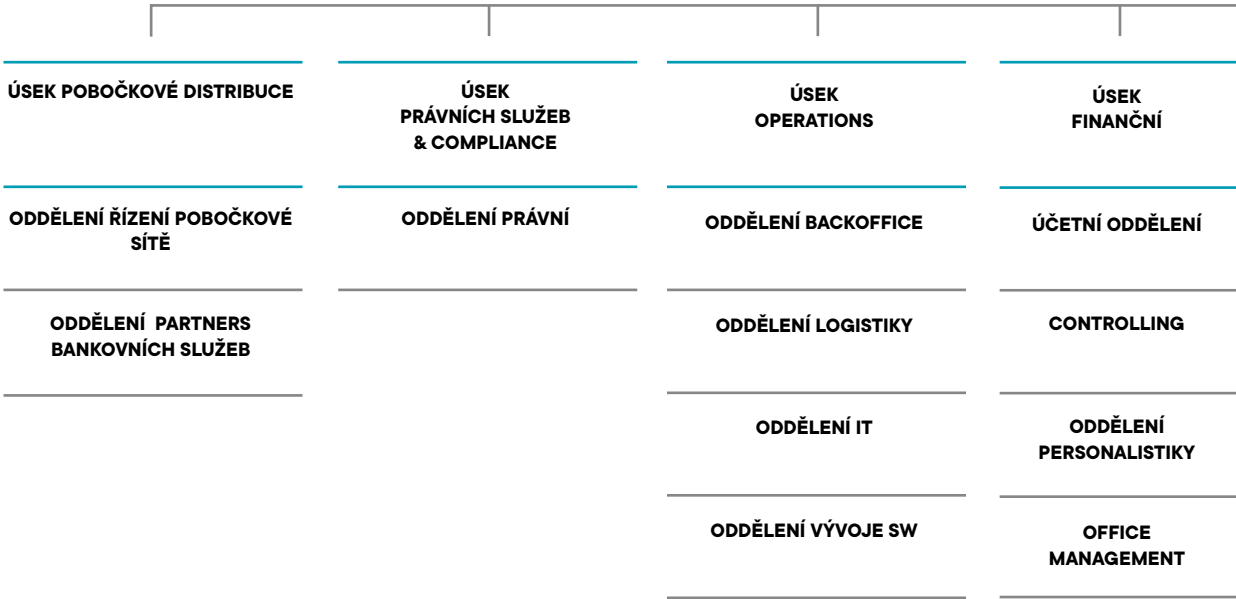
The company was not party to any administrative, judicial, or arbitration dispute in 2020. The Czech National Bank introduced special reporting in connection with the Covid-19 pandemic, which the insurance company has complied with.



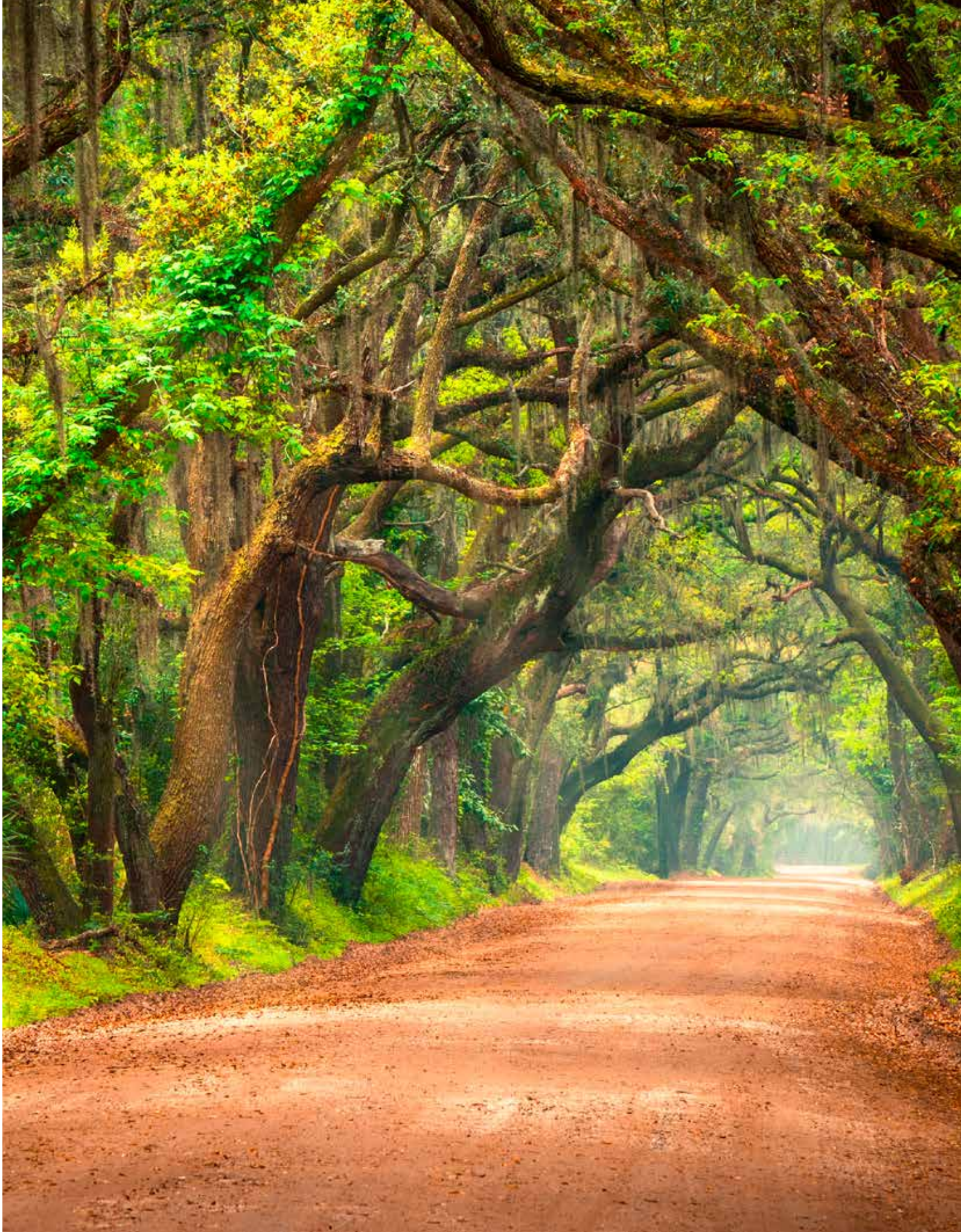
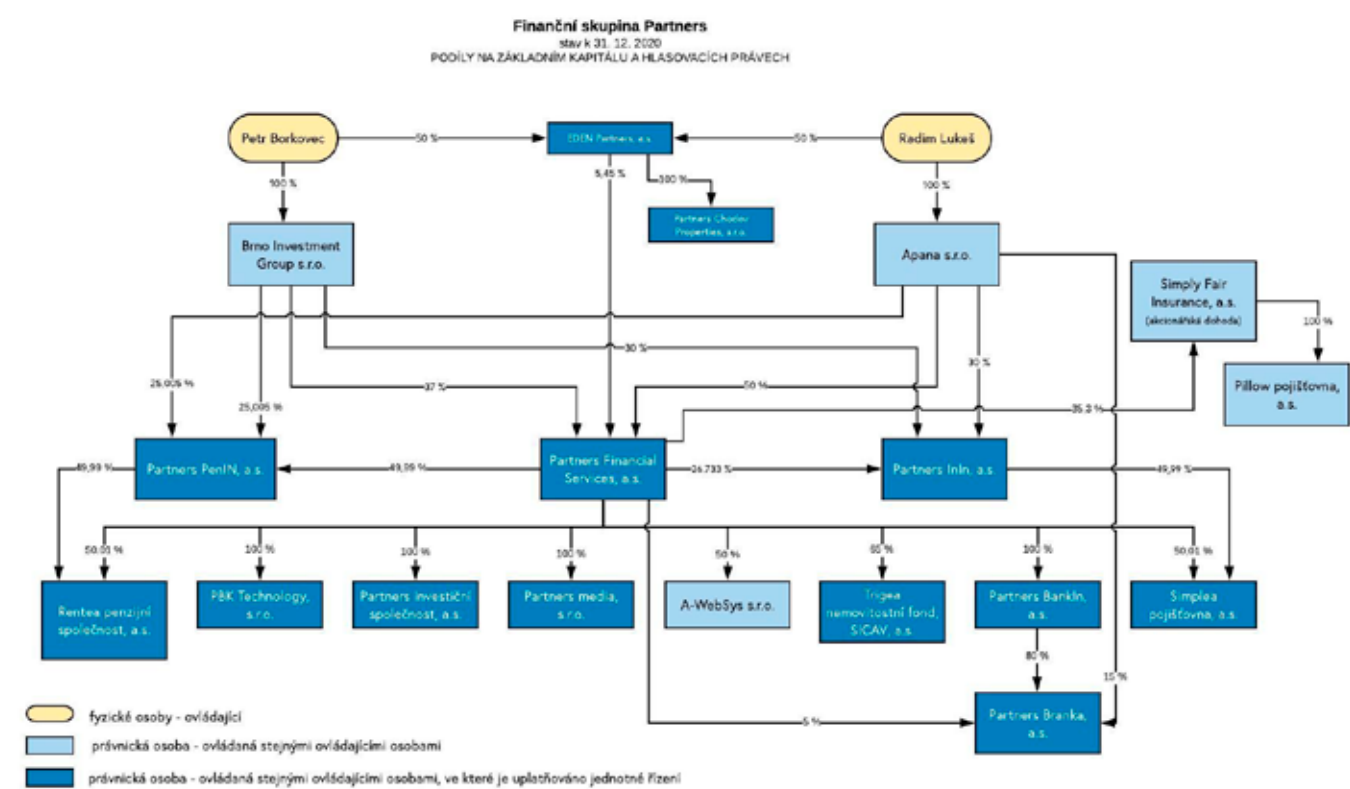
5. ORGANISATION STRUCTURE OF THE PARENT COMPANY AND STRUCTURE OF THE PARTNERS FINANCIAL GROUP

The organisation structure at Partners Financial Services, a.s., consists of individual functioning divisions, as ensuing from the approved organisation chart for the company valid as at 31.12.2020.

Chart of the organisation structure at Partners Financial Services, a.s.



Structure of relations within the Partners financial group as at 31.12.2020



6. PRODUCT PORTFOLIO AND SCOPE OF COMPANY ACTIVITY IN THE PARTNERS FINANCIAL GROUP

When creating the portfolio, financial advisors at Partners always attend to the client's wishes, needs, and future plans. They draw on their clients' current situation and financial possibilities. When choosing, they emphasise the most appropriate banking, investment, and insurance products. They are able to choose from hundreds of quality financial products from the more than 50 business partners or financial institutions that Partners cooperates with. After all, it is impossible to create a full financial plan from one or two types of product alone.

Types of products in the Partners product portfolio

Banking products

- > Current accounts
- > Savings accounts
- > Term deposits
- > Payment and credit cards
- > Consumer loans for housing (mortgage, American mortgage)
- > General consumer credit
- > Investment loans for companies and entrepreneurs
- > Investment loans for associations of flat owners and housing associations

Non-banking finance

Investments

- > Mutual funds
- > Regular investment programmes
- > Model portfolios
- > Investment gold

Building savings

- > Bridging loan from building savings
- > Loans from building savings
- > Building savings

Life insurance

- > Unit-linked life insurance
- > Term life insurance

Non-life insurance

- > Travel insurance
- > Car accident insurance
- > Apartment building insurance
- > Household insurance
- > Insurance of immovable property
- > Civil liability insurance
- > Insurance of entrepreneurs' property and liability
- > Insurance of the costs of veterinary treatment
- > Motor third party liability insurance
- > Professional liability insurance
- > Entrepreneurial risk liability
- > Legal expenses insurance
- > Accident insurance
- > Health insurance for foreign nationals
- > Internet risk insurance
- > Assistance insurance services
- > Insurance for employees in relation to the employer
- > Professional liability insurance for consultants

Pension products

- > Supplementary pension plans

Partners investiční společnost, a.s., managed and administered six open-ended mutual funds in 2020:

- > Partners Universe 6, open-ended mutual fund, Partners investiční společnost, a.s.;
- > Partners Universe 10, open-ended mutual fund, Partners investiční společnost, a.s.;
- > Partners Universe 13, open-ended mutual fund, Partners investiční společnost, a.s.;
- > Partners 7 Stars, open-ended mutual fund, Partners investiční společnost, a.s.;
- > Partners Dividend Selection, open-ended mutual fund, Partners investiční společnost, a.s.;
- > Partners Bond Opportunity, open-ended mutual fund, Partners investiční společnost, a.s.

These are collective investment open-ended mutual funds, three of which are categorised as special-fund funds and three as special-securities funds.

Partners investiční společnost, a.s., also carried out the activity of administrator and manager for the fund of Trigea nemovitostní fond, SICAV, a.s., for its Podfond Trigea subfund - this is an externally-managed special fund which invests in real estate.

The total volume of assets under the management of Partners investiční společnost at the close of 2020 was more than BCZK 6.4.

7. ECONOMIC RESULTS IN 2020

In 2020 we focused on client service, with several new tools created, such as “Nové skupiny”, “Mailovátko”, and the excellent “Servisní analýza”; a system for reassigning “orphans”; reports in the form of a client dashboard and a business dashboard, and last but not least thematic campaigns. The result is that we removed several thousand duplications and brought in over 7 thousand new contracts for non-life insurance via the call centre. Investments also brought good economic results. This was certainly helped by improvement of the Warren investment application, which in addition to creating investment portfolios and reporting became a tool for arranging investments online.

As for one-off investments, we eventually invested BCZK 3 for clients and grew by more than 44 % year-on-year. And by more than 53 % in regular investments. What is positive is that this growth is not driven by the time for which regular investment is paid, but by its volume. The average regular investment is presently CZK 2,200 a month for a term of 14 years. Clients are therefore investing more with us, more often, and more to their advantage. In total, the company as a whole manages around BCZK 20 for its clients.

The results in non-life insurance are also positive, the growth trend continuing. The insurance portfolio for motor insurance increased in new output by 33 % and for property by 32 %. The total portfolio is MCZK 505. By contrast, in relation to the total number of clients and the probable number of car owners therein, the 55 thousand contracts handled through Partners would appear to be relatively few. We can see that our clients are still not used to dealing with this segment with their professional.

As for life insurance, after three years of growth there came a year-on-year drop of 5 % in new output. The volume of new annual premiums was MCZK 473 for 40 thousand contracts. Term life insurance products accounted for the lion’s share of this.

After 2019, when we saw a drop of 20 % in mortgages, the year 2020 by contrast reported a year-on-year increase of 40 %.

These figures show the influence of macroeconomic and regulatory changes on mortgages. Last year we arranged mortgages for clients at a value of over BCZK 23. The average value rose by one-fifth to MCZK 2.6. In total we arranged loans for over BCZK 26.

Partners Market franchises concluded a total of 147 thousand contracts last year and accounted for a 30-% share in the turnover of Partners as a whole. 9 new branches opened, taking the total to 94 franchises, and 140 trainees were hired. The best 3 Markets had an average monthly turnover of MCZK 1,276.

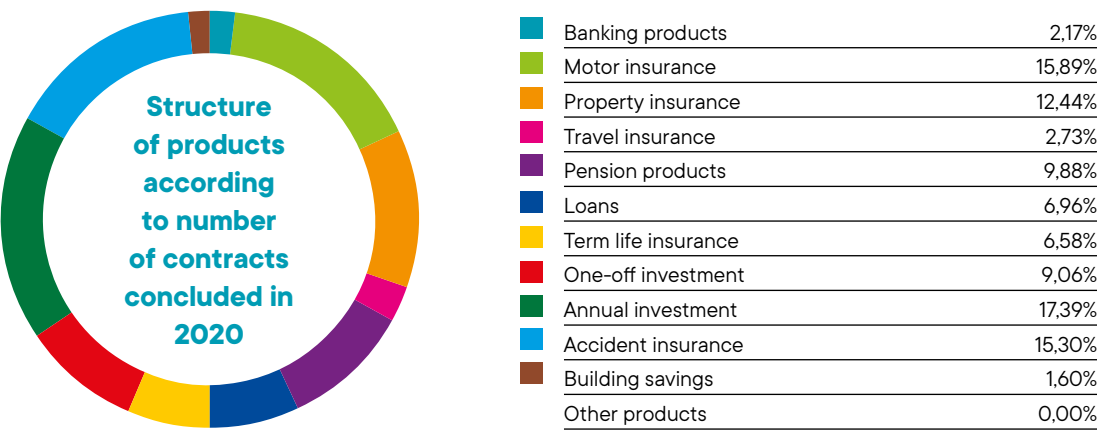
Partners in figures - as at 31.12.2020

Number of active advisors	1,882
Of this figure, managers	309
Of this figure, directors	46
Of this figure, VIP advisors	453
Number of active clients	629,000
Number of new clients in 2020	31,000
Number of products in the range	400
Number of business partners	54
Number of contracts arranged in the past	2,082,165
Number of contracts arranged in 2020	215,800
Number of employees at Partners (converted)	112
Number of branches of Partners market	94

7.1. Structure of intermediated transactions at Partners in 2020

All clients have different needs, possibilities, and future plans. At Partners, we make sure that they have plenty to choose from and that we can promote our name and our vision - providing a professional service. We take a careful and comprehensive approach to planning personal and family finances.

We do not focus on one segment of financial products alone, meaning that our output takes in several areas of personal finance at the same time; for example, investment, financing housing, or life and non-life insurance.



Types of products	Unit	Total	
		Sum in thousands of CZK	Number of contracts
Banking products		0	3858
Travel insurance	Annual premium	3,709	4845
Supplementary pension plan	Participant contribution	11,934	15290
	Employer contribution	3,780	3643
	Total contributions	15,715	15311
Mortgage	Size of loan	23,383,664	8737
Investment in commodities		0	154
Unit-linked life insurance	Annual premium	107,318	11684
	Of this, PAYG	100,754	9120
	Of this, employer contribution	1,482	138
Capital life insurance	Annual premium	0	3
Other products		0	4
Other loans (excepting mortgages and building savings)	Size of loan	1,638,341	3634
Mutual funds	One-off investment	2,533,606	16104
Mutual funds (regular)	Annual investment	819,153	30895
	Sum of target amounts	11,857,027	30895
Motor insurance - compulsory motor third party liability, car accident	Annual premium	154,904	28234
Property insurance	Annual premium	71,376	22102
Term life insurance	Annual premium	354,389	27187
	Of this, PAYG	347,446	27041
Private health insurance	Annual premium	0	2
Building savings	Size of loan	1,166,960	2025
	Target amount	1,022,204	2849
PP Transformed Fund	Participant contribution	2,389	2220
	Employer contribution	989	908
	Total contributions	3,378	2247
Accident insurance	Annual premium	33	21
Credit life insurance	Annual premium	0	1

8. BUSINESS PARTNERS

We compare hundreds of financial products on the market and choose the very best of them. Our size, however, is just one factor that enables clients of Partners to use exclusive products from different financial segments from more than fifty institutions - banks, insurance companies, building savings companies, pension and investment companies.

S vámi od A do Z

Allianz

Amundi

ASSET MANAGEMENT

CONSEQ™

ČPP

VIENNA INSURANCE GROUP

ČESKÁ

spořitelna

STAVEBNÍ

spořitelna České spořitelny

direct

pojišťovna

GENERALI

ČESKÁ POJIŠŤOVNA

Hypoteční banka

KB

Kooperativa

VIENNA INSURANCE GROUP

MetLife

Modrá pyramida

MONETA

MONEY BANK

Partners Invest

Pillow

Raiffeisen BANK

Banka inspirovaná klienty

simplea.

ČSOB

Pojišťovna

trigea

NEMOVITOSTNÍ FOND

UniCredit Bank

UNIQA



9. SUCCESSES IN 2020

Partners Financial Services, a.s.

To the contracts that can be prepared online or signed in Anakin we added the option of submitting electronic copies/scans of contracts, which resulted in savings in printing, postage, etc. The outcome is that more than half of all output is moving away from paper.

We began measuring the performance of the markets for the media market, later adding life insurance. Partners mutual fund indices are prepared monthly and the Partners life insurance index every half year.

Bonds were issued at the beginning of 2020 in order to finance internal projects (investment account, payment services) and options contracts were concluded for shares in Partners PenIN, a.s., which owns almost half of Rentea pension company. The second tranche of the share programme for shares in Partners InIn, a.s., which owns almost half of Simplea pojišťovna, a.s., was carried out in the summer.

The “S námi vám to vyjde” campaign was then launched in the autumn. This distinctive campaign aimed high: we reminded existing clients, addressed potential new clients, and also focused on possible colleagues.

We also launched the ELON e-learning platform, which makes it easier to onboard newcomers and educate them thereafter, for example. There are currently 30 courses available, such as Start up. Other courses will be added over time.

We completed Servisní analýza (SA), a specialised tool thanks to which data about clients that are already in FiP can be analysed in Anakin. SA makes it possible for us to present the client's portfolio to the client, connect them to Warren, and carry out a transaction for servicing.

We removed 45 thousand duplicate analyses from FiP and introduced a module which prevents any more arising. We also put a new system in place for the management of “orphans”. We improved the Warren investment application, and advisors can therefore arrange the investments of selected business partners online.

We made an online tool available to advisors with which to compare the insurance conditions of life insurance companies, which will simplify the process of looking for terms and conditions of insurance, exclusions, etc.

The banking branches of Partners Market took funds of over BCZK 5.5 into their current accounts and reached 9 billion koruna in mortgages.

Partners investiční společnost, a.s.

The assets under the management of Partners investiční společnost grew year-on-year by 1 billion to a total of BCZK 6.4 and we appreciated the value of our clients' assets by MCZK 354. All of our funds delivered attractive appreciation in value.

We launched cooperation with BlackRock – the largest manager in the world. We work with them in the management of our Partners ETF Solution portfolios.

The option of remotely arranging a contract led to an incredible simplification of work. And, as it happens, it was an absolute necessity in 2020.

We lodged an application with the Czech National Bank to broaden our licence to include the creation and management of qualified investor funds.

We also launched informative WhatsApp chat so as to provide our advisors with as much assistance as possible in questions of investment. We also began recording podcasts about current happenings on the markets.

Trigea nemovitostní fond, SICAV, a.s.

Trigea acquired its second property: a shopping centre in Plzeň (OC Plzeň). A shopping gallery with more than 60 retail units. From the perspective of the fund, the involvement of OC Plzeň is a significant boost to its performance.

In spite of the difficult conditions on the market and the situation surrounding the pandemic, the fund ascribed appreciation in value to its clients of 5.64 %.

Partners media, s.r.o.

The individual sections of our financial product comparison and arrangement site Ušetři.Peníze.cz were successively redesigned in 2020.

Our Heroine magazine brought in around three thousand subscribers and we sell almost 60 % of the print-run at news stands, and we are adding extra pages with every issue, all within the first year of the magazine's existence. New editor-in-chief Michaela Kramářová has played a large part in this. The Heroine.cz website is also faring well, and registered 3.8 million readers last year.

The HitHit crowdfunding website was able to bring in more than a quarter of a MCZK 1 for “Hlas Heroine” (Voice of the Heroine), a series of podcasts that began in January of this year. We plan to launch another at Peníze.cz.

The “Koronavirus a dezinformace” (Coronavirus and Disinformation) project was launched in Finmag as a response to the current situation. Our editorial team has spent the past few weeks uncovering the myths and lies associated with the coronavirus pandemic.

Simplea pojišťovna, a.s.

We launched an online personal questionnaire, which has since been used by around 4 thousand clients. We then prepared the option of remotely arranging insurance, thanks to which the company was able to move a considerable portion of output to the world of no physical contact that the pandemic brought.

Since November 2020 clients have been able to take out insurance of attendance allowance for children and adults. With this product we were also able to cover cases in which the family breadwinner suffers a loss of income on account of caring for a sick child or, for example, a partner on parental leave. The guarantee of insurance benefit is one of the key ways that Simplea differs from traditional insurance companies. The claims committee dealt with 12 claims in 2020 that would otherwise have been rejected on account of exclusions. Insurance benefit was awarded in 11 cases, totalling more than MCZK 2.

10. TARGETS FOR 2021

Partners Financial Services, a.s.

To obtain a licence for individual participating funds and launch the Rentea pension company.

A campaign in support of the transfer of transformed funds to supplementary pension plans among young clients.

The application of a Watchdog control within Warren.

Development of the "mojePartners" (myPartners) mobile application, which will later be broadened to include a bank.

The "Krotitelé dluhů" (Debtbusters) programme. Five advisors will advise Czech families that find themselves in financial difficulty.

Improving the Warren investment application and getting a function to make changes to existing contracts online up and running.

Expanding the "Sjednávač neživotního pojištění" (Non-life insurance comparison site), for example to include pricing car windows, assessing the quality of products or the opportunity to convert an old contract "with a single click".

The new Wiki information system - clearly-arranged and standardised structure of content, improved search.

The centralisation and recording of client complaints and checks of the whole process, so that it is as pro-client as possible.

The preparation of a manual on how to go about a successful VIP CO and intensifying cooperation in VIP CO with individual partners.

Communication with the Czech National Bank within bank licensing procedure and dealing with the financing of the whole project through the sale of shares in Partners BankIn, a.s., to our financial advisors in accordance with the approved prospectus.

Monitoring appropriate opportunities for expansion into Slovakia.

Partners investiční společnost, a.s.

Launching a qualified investor fund. We have a strategy in place and are merely waiting for a licence.

PIS Dashboard for advisors. Practical overviews and the chance to compile statements for clients.

The online arrangement of contracts will be broadened to include the execution of buy-back and transfers between funds via Warren + records of subsequent instructions.

Modification of the website to provide greater clarity and better use of the site to generate leads.

Upgrade PIS client interface. Clients can expect a more up-to-date and more practical tool with which to monitor the development of their investments.

Trigea nemovitostní fond, SICAV, a.s.

The acquisition of another two properties, and inclusion of these in the portfolio. The properties in question are a logistics complex and an office building.

Partners media, s.r.o.

Charging for content, which will enable us to become more independent of income from advertising.

A single-theme issue of Heroine in January, with a major event about this in September.

Look for attractive media investment opportunities and ideas on the market that will expand our activities into areas we are not currently involved in, but would like to be.

Simplea pojišťovna, a.s.

Speeding up the process between reporting, and the delivery of supporting documents, and the payment of insurance benefit (adjustment) from the current average of two days to a matter of hours.

Creating our own database of doctors, sharing contracts in Dashboard, and the opportunity to set further contacts for sending out reminders (for example, to assistants).

11. ACTIVITIES IN THE SPHERE OF RESEARCH AND DEVELOPMENT

Activity in the sphere of development at the Partners financial group reflects the needs of advisors for working with clients, the client portfolio, and data in relation to product contracts. It primarily focuses on internal systems, electronic and online gadgets to simplify advice activity and the processes associated with this.

Partners has developed most programs itself, although in 2016 we did become part owners of IT company A-WebSys, spol. s r.o., which takes part in the creation of certain tools.

We completed and launched "Servisní analýza" in 2020 in order to replace the outdated "Servisní protokol" (Servicing Record). This is a special tool that enables advisors to update data about clients that are already in FiP in the new Anakin. Servisní analýza also makes it possible to prove the provision of servicing with a meeting, and therefore satisfy the criteria of servicing with

everything associated with it, including the risk of removing a client as a result of unfulfilled servicing. Servisní analýza is divided into several modules (for example, personal data, balance, portfolio, investment report), which the advisor can select before a specific meeting and handle with the client only that which is required at that time and on which they agree.

The Warren investment application has also made great strides with the integration of Amundi Fundoo, opening up another product segment. Apart from the fact that it is a great means of creating investment portfolios and reporting, it can also be used to arrange investments online.

We also made an online tool available to advisors with which to compare the insurance conditions of life insurance companies, which will simplify the process of looking for terms and conditions of insurance, exclusions, etc.

12. INFORMATION ABOUT THE ACQUISITION OF TREASURY SHARES OR OWN STAKES

The company did not acquire treasury shares or own stakes in the accounting period under consideration.

13. THE ENVIRONMENTAL IMPACT OF COMPANY ACTIVITY

We try to act responsibly in relation to protecting the environment. In addition to the contracts that can be prepared online or signed in Anakin, last year saw us add the option of submitting electronic copies/scans of contract, saving on printing. The result is that the absolute majority of output no longer involves paper, the average for the year being 52 %.

Our Simplea insurance company and Trigea real estate fund work entirely paper-free.

We published our strategy regarding socially-responsible investment and ESG on 10.3.2021. This strategy is currently only general, but will undergo regular updating and specification as the environment which surrounds us offers up further possibilities for development in this area.

14. EMPLOYMENT RELATIONSHIPS

Employees

The employees at Partners are one of the main pillars of the company. This is why Partners places so much importance on having a friendly atmosphere and a great team. It provides its employees with career-growth opportunities and the chance to become involved in new projects and challenges. Care for employees and employee development are a priority at the company.

Corporate culture

Partners arranges a range of training sessions, programmes and courses which focus on personal, professional, and managerial development. In doing so the company aims to reinforce its position as a prominent employer that emphasises its employees and their needs. One other motivation is to ensure that employees themselves are interested in their colleagues and are aware of their needs and requirements. Mutual support and team work.

Employee benefits

Employees are provided with a diverse range of financial and non-financial benefits as a means of reward for the high standard of their application at work.

Our developed system of employee benefits facilitates an equal approach to employee benefits and offers employees freedom of choice.

Charity

In May 2020, after the first wave of the Covid-19 pandemic, Partners announced a charity collection entitled "Daruj stravenku" (Gift a luncheon voucher) for single mothers/fathers with children from "Klub svobodných matek" (Free Mothers Club) and for the ROSA centre, which helps the victims of domestic violence and their children.

The collection to help the needy continued in the second and third wave of the pandemic and came to an end at the close of 2020. The collection took in a total of CZK 104,100. Employees were very generous, many of them giving up their luncheon vouchers for the whole month. The charity collection also involved donating clothes for children, or buying basic children's needs.

At the end of the year, Partners organised a financial collection for the whole Czech Republic, using the proceeds of which to support, for example, single mothers and fathers as part of the "Šatník" (Wardrobe) project and clients from the ROSA centre. A special bank account was opened for this. Representatives of the biggest shareholders in Partners - Petr Borkovec and Radim Lukeš - also promised to double, and even triple, every koruna collected. The collection brought in a total of MCZK 2.2.

15. SIGNIFICANT EVENTS FOLLOWING THE DATE OF THE FINANCIAL STATEMENTS

On 13 January 2021, Partners, as the person offering the securities, published on its website a prospectus entitled „**SHARES OF PARTNERS BANKIn, a.s.**“ and launched a public offering of shares of this company in the zero tranche, in which it released for sale shares representing a total of 34.56875% of the share capital of Partners BankIn, a.s. According to the terms of the prospectus, the offer of shares is intended only for a selected group of persons designated by Partners, namely its financial advisors and persons directly related to them, other persons cooperating with it as self-employed persons and employees, and members of statutory and supervisory bodies of companies from the financial group Partners, i.e. retail investors. The public offer will be active until 13 January 2022. The prospectus also anticipates the first tranche, on the basis of which Partners is prepared to allocate additional shares for sale amounting to a total of 14.475% of the share capital. In February 2021, Partners also sold a share of 50.03125 % in Partners BankIn, a.s., to Brno Investment Group, as a qualified

investor. This transaction was outside the scope of the above-mentioned prospectus.

At the beginning of 2021, Partners participated in the increase of the registered capital of **Partners Branka, a.s.** by committing new shares using its pre-emptive right in proportion to its current share in the registered capital.

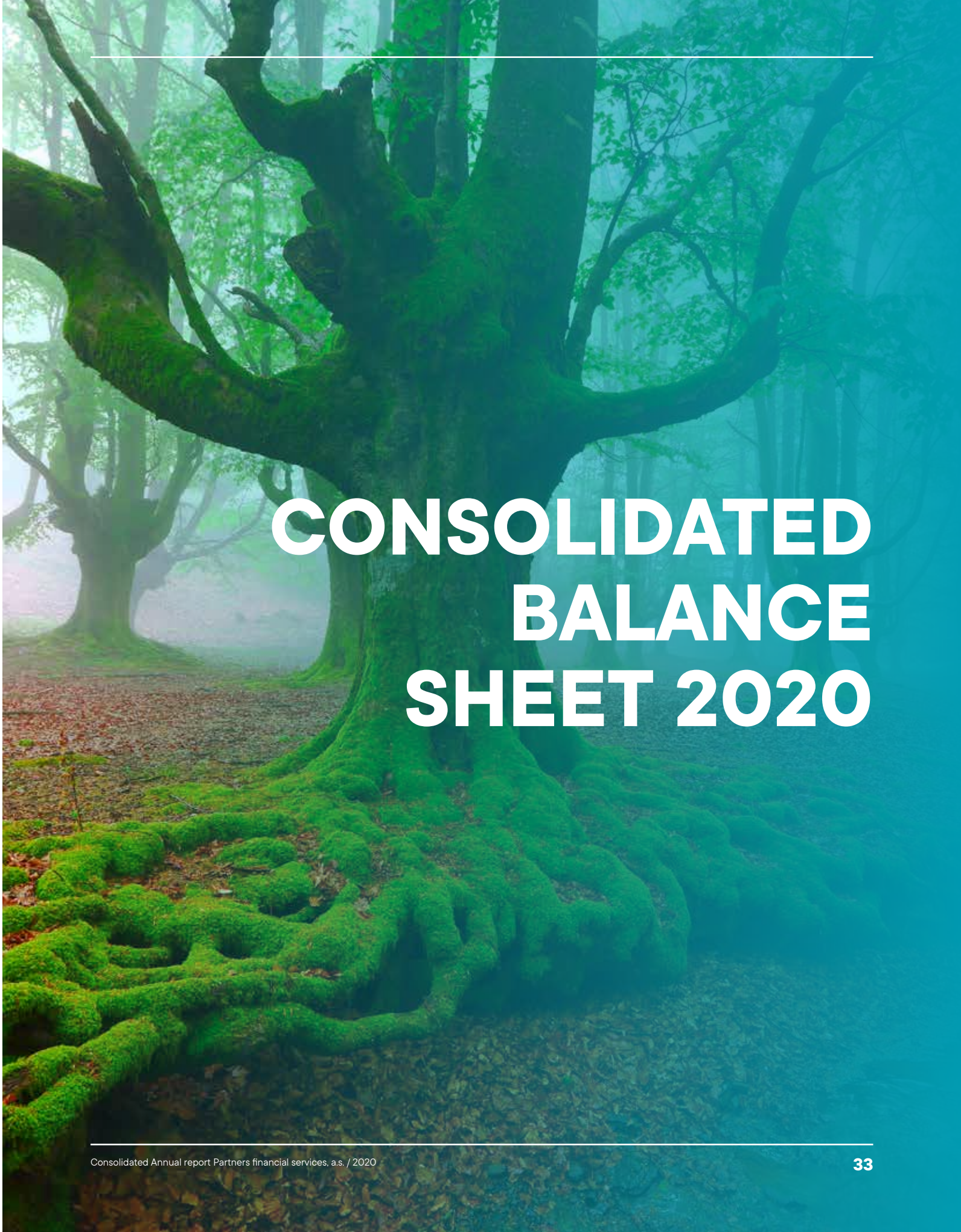
On 31 March 2021, Partners sold their 100 % share in the subsidiary **PBK Technology, s.r.o.** to Partners Branka, a.s. PBK Technology, s.r.o. was established and financed from the beginning by Partners as a special purpose vehicle to carry out preparatory work for the future bank project, so its sale was a planned step.

16. ECONOMIC RESULTS OF CONSOLIDATED COMPANIES FOR 2020

	PROFIT	LOSS
PARTNERS FINANCIAL SERVICES, A.S.*	TCZK 116,052	
PARTNERS INVESTIČNÍ SPOLEČNOST, A.S.*	TCZK 24,864	
TRIGEA NEMOVITOSTNÍ FOND, SICAV, A.S.		TCZK 188
SIMPLEA POJIŠŤOVNA, A.S.*	TCZK 3,222	
PARTNERS ININ, A.S.		TCZK 31
PARTNERS PENIN, A.S.		TCZK 52
PARTNERS MEDIA, A.S.		TCZK 3,300
RENTEA PENZIJNÍ SPOLEČNOST, A.S.		TCZK 981**
A-WEBsys, spol. s r.o.	TCZK 68	

*The economic results of Partners Financial Services, a.s., Partners investiční společnost, a.s., and Simplea pojišťovna, a.s., as at 31.12.2020 have been audited.

** Rentea penzijní společnost, a.s., has an extended accounting period, the economic result draws on the ordinary financial statements as at 31.12.2020.



CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET
in full format

as at 31 December 2020
(in thousands of Czech crowns)
Translated from the Czech original

Identification number	Name and registr. office of the Company			
	Partners Financial Services, a.s. Tůrkova 2319/5b 149 00 Praha 4 Czech Republic			
27699781				

Ident.	A S S E T S	line	Current period Net	Prior period Net
a	b	c	1	2
	TOTAL ASSETS	001	1 393 632	1 165 441
A.	Receivables for subscribed registered capital	002		
B.	Fixed assets	003	264 803	282 144
B.I.	Intangible fixed assets	004	55 894	44 999
B.I.1.	Development	005		
B.I.2.	Intellectual property rights	006	44 910	44 932
B.I.2.1.	Software	007	44 682	44 686
B.I.2.2.	Other intellectual property rights	008	228	246
B.I.3.	Goodwill	009		
B.I.4.	Other intangible fixed assets	010	713	
B.I.5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	011	10 271	67
B.I.5.1.	Advance payments for intangible fixed assets	012		
B.I.5.2.	Intangible fixed assets under construction	013	10 271	67
B.II.	Tangible fixed assets	014	24 498	27 503
B.II.1.	Land and buildings	015	9 311	9 720
B.II.1.1.	Land	016		
B.II.1.2.	Buildings	017	9 311	9 720
B.II.2.	Plant and equipment	018	9 619	11 141
B.II.3.	Adjustments to acquired fixed assets	019	5 368	6 442
B.II.4.	Other tangible fixed assets	020	200	200
B.II.4.1.	Cultivated areas	021		
B.II.4.2.	Adult livestock	022		
B.II.4.3.	Other tangible fixed assets	023	200	200
B.II.5.	Advance payments for tangible fixed assets and tangible fixed assets under construction	024		
B.II.5.1.	Advance payments for tangible fixed assets	025		
B.II.5.2.	Tangible fixed assets under construction	026		
B.III.	Long-term investments	027	122 349	138 307
B.III.1.	Equity investments - group undertakings	028	32 600	
B.III.2.	Loans - group undertakings	029		
B.III.3.	Equity investments - associated companies	030	89 749	113 302
B.III.4.	Loans - associated companies	031		
B.III.5.	Other long-term securities and equity investments	032		
B.III.6.	Loans - other	033		
B.III.7.	Other long-term investments	034		25 005
B.III.7.1.	Other long-term investments	035		
B.III.7.2.	Advance payments for long-term investments	036		25 005
B.IV.	Consolidation difference	037		734
B.IV.1.	Positive consolidation difference	038		734
B.IV.2.	Negative consolidation difference	039		
B.V.	Securities and equity interests in equivalence	040	62 062	70 601
B.V.1.	Securities and equity interests in equivalence	041	62 062	70 601

Partners Financial Services, a.s.
Consolidated balance sheet
as at 31 December 2020

Ident.	A S S E T S	line	Current period Net	Prior period Net
a	b	c	1	2
C.	Current assets	042	945 608	737 120
C.I.	Inventories	043	2 108	1 079
C.I.1.	Raw materials	044	2 108	1 079
C.I.2.	Work-in-progress and semi-finished products	045		
C.I.3.	Finished goods and goods for resale	046		
C.I.3.1.	Finished goods	047		
C.I.3.2.	Goods for resale	048		
C.I.4.	Young and other livestock	049		
C.I.5.	Advance payments for inventories	050		
C.II.	Receivables	051	513 236	447 801
C.II.1.	Long-term receivables	052	303 117	215 485
C.II.1.1.	Trade receivables	053		
C.II.1.2.	Receivables - group undertakings	054	177 050	174 543
C.II.1.3.	Receivables - associated companies	055		
C.II.1.4.	Deferred tax asset	056	30 206	7 321
C.II.1.5.	Receivables - other	057	95 861	33 621
C.II.1.5.1.	Receivables from shareholders/members	058		
C.II.1.5.2.	Long-term advances paid	059	5 946	5 780
C.II.1.5.3.	Estimated receivables	060		
C.II.1.5.4.	Other receivables	061	89 915	27 841
C.II.2.	Short-term receivables	062	210 119	232 316
C.II.2.1.	Trade receivables	063	59 340	72 997
C.II.2.2.	Receivables - group undertakings	064		
C.II.2.3.	Receivables - associated companies	065		
C.II.2.4.	Receivables - other	066	150 779	159 319
C.II.2.4.1.	Receivables from shareholders/members	067	750	961
C.II.2.4.2.	Social security and health insurance	068		
C.II.2.4.3.	Tax receivables	069	5 983	11 817
C.II.2.4.4.	Short-term advances paid	070	68 457	51 281
C.II.2.4.5.	Estimated receivables	071	43 087	32 003
C.II.2.4.6.	Other receivables	072	32 502	63 257
C.III.	Short-term financial assets	077		
C.III.1.	Equity investments - group undertakings	078		
C.III.2.	Other short-term financial assets	079		
C.IV.	Cash	080	430 264	288 240
C.IV.1.	Cash in hand	081	81	464
C.IV.2.	Bank accounts	082	430 183	287 776
D.	Deferrals	083	183 221	146 177
D.1.	Prepaid expenses	084	9 891	8 167
D.2.	Complex prepaid expenses	085		
D.3.	Accrued revenues	086	173 330	138 010

CONSOLIDATED BALANCE SHEET

Partners Financial Services, a.s.

Consolidated balance sheet
as at 31 December 2020

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	3	4
	TOTAL LIABILITIES AND EQUITY	083	1 393 632	1 165 441
A (A.I.-A.VI.)	Equity	084	291 853	379 639
A.I.	Registered capital	085	100 000	97 800
A.I.1.	Registered capital	086	100 000	100 000
A.I.2.	Own shares/ownership interests (-)	087		-2 200
A.I.3.	Changes in registered capital	088		
A.II.	Premium and capital contributions	089		3 500
A.II.1.	Premium	090		
A.II.2.	Capital contributions	091		3 500
A.II.2.1.	Other capital contributions	092		3 500
A.II.2.2.	Revaluation of assets and liabilities (+/-)	093		
A.II.2.3.	Revaluation reserve on transformations (+/-)	094		
A.II.2.4.	Differences resulting from transformations (+/-)	095		
A.II.2.5.	Change in revaluation reserve on transformations (+/-)	096		
A.III.	Funds from profit	097		
A.III.1.	Other reserve funds	098		
A.III.2.	Statutory and other funds	099		
A.III.3.	Consolidation reserve fund	100		
A.IV.	Retained earnings (+/-)	101	308 439	238 198
A.IV.1.	Retained profits (+/-)	102	308 439	238 198
A.IV.2.	Other retained earnings (+/-)	103		
A.V.1.	Profit (loss) for the current period (+/-)	104	11 181	68 908
A.V.2.	Share of profit (loss) of equity-accounted investees (+/-)	105	833	-167
A.VI.	Approved advance profit distribution (-)	106	-128 600	-28 600
B. + C.	Liabilities	112	950 872	682 116
B.	Provisions	113	137 191	68 583
B.1.	Provision for pensions and other similar payables	114		
B.2.	Income tax provision	115	17 655	11 286
B.3.	Tax-deductible provisions	116		
B.4.	Other provisions	117	119 536	57 297

Partners Financial Services, a.s.

Consolidated balance sheet
as at 31 December 2020

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	3	4
C.	Liabilities	117	813 681	613 533
C.I.	Long-term liabilities	118	344 842	321 339
C.I.1.	Debentures and bonds issued	119	143 200	
C.I.1.1.	Convertible debentures and bonds	120		
C.I.1.2.	Other debentures and bonds	121	143 200	
C.I.2.	Liabilities to credit institutions	122	100 575	221 935
C.I.3.	Long-term advances received	123	36 000	36 283
C.I.4.	Trade payables	124	63 997	62 643
C.I.5.	Long-term bills of exchange payable	125		
C.I.6.	Liabilities - group undertakings	126		
C.I.7.	Liabilities - associated companies	127		
C.I.8.	Deferred tax liability	128	1 070	138
C.I.9.	Liabilities - other	129		340
C.I.9.1.	Liabilities to shareholders/members	130		340
C.I.9.2.	Estimated payables	131		
C.I.9.3.	Other payables	132		
C.II.	Short-term liabilities	133	468 839	292 194
C.II.1.	Debentures and bonds issued	131	5 389	
C.II.1.1.	Convertible debentures and bonds	132		
C.II.1.2.	Other debentures and bonds	133	5 389	
C.II.2.	Liabilities to credit institutions	134	93 807	67 661
C.II.3.	Short-term advances received	135	91 848	1 975
C.II.4.	Trade payables	136	91 195	131 125
C.II.5.	Short-term bills of exchange payable	137		
C.II.6.	Liabilities - group undertakings	138		
C.II.7.	Liabilities - associated companies	139		
C.II.8.	Liabilities - other	140	186 600	91 433
C.II.8.1.	Liabilities to shareholders/members	141		110
C.II.8.2.	Short-term financial liabilities	142		
C.II.8.3.	Payables to employees	143	6 434	5 931
C.II.8.4.	Social security and health insurance liabilities	144	3 618	3 203
C.II.8.5.	Tax liabilities and subsidies	145	2 514	2 198
C.II.8.6.	Estimated payables	146	167 835	75 305
C.II.8.7.	Other payables	147	6 199	4 686
C.III.	Accruals	148		
C.III.1.	Accrued expenses	149		
C.III.2.	Deferred revenues	150		
D.	Accruals	148	103 902	76 527
D.1.	Accrued expenses	149	97 425	72 143
D.2.	Deferred revenues	150	6 477	4 384
E.	Minority equity	151	47 005	27 159
E.1.	Minority share capital	152	51 027	34 899
E.2.	Minority capital funds	153	2 870	
E.3.	Minority funds from profit including retained profit	154	-7 761	-427
E.4.	Minority retained profits	155	869	-7 313

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT

classified by nature
for the year ended 31 December 2020
(in thousands of Czech crowns)
Translated from the Czech original

Name and registr. office of the Company
Partners Financial Services, a.s.
Türkova 2319/5b
149 00 Praha 4
Czech Republic

Identification number
27699781

Ident.		line	Current period	Prior period
a	b	c	1	2
I.	Revenue from products and services	01	1 771 072	1 406 201
II.	Revenue from goods	02		
A.	Cost of sales	03	1 457 369	1 216 866
A.1.	Cost of goods sold	04		
A.2.	Materials and consumables	05	7 484	9 300
A.3.	Services	06	1 449 885	1 207 566
B.	Change in inventory of own production (+/-)	07		
C.	Own work capitalised (-)	08	- 139	- 1 946
D.	Personnel expenses	09	137 426	127 842
D.1.	Wages and salaries	10	100 830	92 809
D.2.	Social security, health insurance and other expenses	11	36 596	35 033
D.2.1.	Social security and health insurance expenses	12	31 132	29 706
D.2.2.	Other expenses	13	5 464	5 327
E.	Adjustments relating to operating activities	14	19 163	17 980
E.1.	Adjustments to intangible and tangible fixed assets	15	23 327	16 781
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	16	23 327	15 707
E.1.2.	Impairment of intangible and tangible fixed assets	17		1 074
E.2.	Adjustments to inventories	18	95	
E.3.	Adjustments to receivables	19	- 4 993	1 033
E.4.	Settlement of positive consolidation difference	20	734	166
E.5.	Settlement of negative consolidation difference	21		
III.	Other operating revenues	22	24 150	10 788
III.1.	Proceeds from disposals of fixed assets	23	840	302
III.2.	Proceeds from disposals of raw materials	24	21	48
III.3.	Other operating revenues	25	23 289	10 438
F.	Other operating expenses	26	127 037	42 373
F.1.	Net book value of fixed assets sold	27	702	540
F.2.	Net book value of raw materials sold	28		
F.3.	Taxes and charges	29	639	690
F.4.	Provisions relating to operating activity and complex prepaid expenses	30	62 239	20 874
F.5.	Other operating expenses	31	63 457	20 269
*	Operating profit (loss) (+/-)	32	54 366	13 874

Partners Financial Services, a.s.

Consolidated Income statement - classified by nature
for the year ended 31 December 2020

Ident.		line	Current period	Prior period
a	b	c	1	2
IV.	Revenue from long-term investments - equity investments	33	26 056	71 009
IV.1.	Revenue from equity investments - group undertakings	34		
IV.2.	Other revenue from equity investments	35	26 056	71 009
G.	Cost of equity investments sold	36	1 137	137
V.	Revenue from other long-term investments	37		
V.1.	Revenue from other long-term investments - group undertakings	38		
V.2.	Other revenue from other long-term investments	39		
H.	Expenses related to other long-term investments	40		
VI.	Interest revenue and similar revenue	41	8 173	6 833
VI.1.	Interest revenue and similar revenue - group undertakings	42	7 009	
VI.2.	Other interest revenue and similar revenue	43	1 164	6 833
I.	Adjustments and provisions relating to financial activity	44	50 459	
J.	Interest expense and similar expense	45	11 900	6 587
J.1.	Interest expense and similar expense - group undertakings	46		
J.2.	Other interest expense and similar expense	47	11 900	6 587
VII.	Other financial revenues	48	1 101	27
K.	Other financial expenses	49	578	509
*	Profit (loss) from financial operations	50	- 28 744	70 636
**	Profit (loss) before tax (+/-)	51	25 622	84 510
L.	Income tax	52	13 572	22 915
L.1.	Current tax	53	35 525	23 800
L.2.	Deferred tax (+/-)	54	- 21 953	- 885
**	Profit (loss) after tax (+/-)	55	12 050	61 595
*****	Share of profit in equity	56	833	- 167
***	Profit (loss) for the accounting period (+/-)	57	12 883	61 428
	Transfer of profit or loss to shareholders/members (+/-)	58	12 014	68 741
****	Minority interest in profit (loss) for the current period (+/-)	59	869	- 7 313
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.	60	1 830 552	1 494 858

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2020
(in thousands of Czech crowns)
Translated from the Czech original

	Current period	Prior period
P. Cash and cash equivalents, beginning of period	288 240	201 865
Net operating cash flow		
Z. Accounting profit (loss) from ordinary activities	25 622	84 510
A.1. Non-cash transactions	113 001	-32 026
A.1.1. Depreciation and amortisation of fixed assets	23 327	16 781
A.1.2. Change in:	108 534	22 073
A.1.2.1. goodwill and consolidation difference	734	166
A.1.2.2. provisions and other adjustments	107 800	21 907
A.1.3. Profit(-) Loss(+) on sale of fixed assets	-25 057	-70 634
A.1.4. Revenue from dividends and profit distribution		
A.1.5. Expense and revenue interests accounted for	3 727	-246
A.1.6. Other non-cash transactions	2 470	
A.* Net operating cash flow before taxation and changes in working capital	138 623	52 484
A.2. Changes in working capital	150 161	-63 025
A.2.1. Change in receivables from operating activities, estimated receivables and deferrals	-21 202	-101 451
A.2.2. Change in short-term liabilities from operating activities, estimated payables and accruals	172 487	38 142
A.2.3. Change in inventories	-1 124	284
A.2.4. Change in short-term financial assets, other than cash and cash equivalents		
A.** Net operating cash flow before taxation	288 784	-10 541
A.3. Interest paid excluding amounts capitalised	-6 511	-6 587
A.4. Interest received	1 164	6 833
A.5. Income tax paid on ordinary income and income tax relating to prior periods	-23 322	-30 000
A.6. Dividends received		
A.7. Received profit shares		
A.*** Net operating cash flow	260 115	-40 295
Investing activities		
B.1. Acquisition of fixed assets	-41 766	110 698
B.1.1. Acquisition of tangible fixed assets	-5 675	-10 000
B.1.2. Acquisition of intangible fixed assets	-26 448	-20 000
B.1.3. Acquisition of long-term investments	-9 643	140 698
B.2. Proceeds from sales of fixed assets	26 896	71 311
B.2.1. Proceeds from sales of tangible and intangible fixed assets	840	302
B.2.2. Proceeds from sale of financial investments	26 056	71 009
B.3. Advances and loans to related parties	-52 000	-51 092
B.*** Net cash flow from investing activities	-66 870	130 917
Financing activities		
C.1. Change in long-term resp.short-term liabilities from financing	48 579	-10 901
C.2. Increase and decrease in equity from cash transactions	-99 800	-8 570
C.2.1. Subscription of shares and investments	200	6 230
C.2.2. Equity paid to shareholders		
C.2.3. Other cash contributions from partners and shareholders		
C.2.4. Loss settlement from partners		
C.2.5. Payments from funds created from net profit		
C.2.6. Dividends paid, including withholding tax paid and bonuses paid to board members	-100 000	-14 800
C.*** Net cash flow from financing activities	-51 221	-19 471
F. Net increase or decrease in cash balance	142 024	71 151
R. Cash and cash equivalents, end of period	430 264	288 240

Name and registr. office of the Company
Partners Financial Services, a.s.
Türkova 2319/5b
149 00 Praha 4
Czech Republic

Identification number
27699781

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020
(in thousands of Czech crowns)
Translated from the Czech original

Name and registr. office of the Company
Partners Financial Services, a.s.
Türkova 2319/5b
149 00 Praha 4
Czech Republic

Identification number
27699781

	Registered capital	Own shares and ownership interests	Premium	Other capital contributions	Retained profits	Profit (loss) for the current period	Approved advance profit distribution	Share of profit (loss) of equity-accounted investees (+/-)	Total
Balance as at 1/1/2020	100 000	-2 200		3 500	238 198	68 908	-28 600	-167	379 639
Additions to funds			2 000	-3 500	70 241	-68 908		167	
Reductions of funds									
Sale of own shares		2 200	-2 000						200
Approved advance profit distributed							-100 000		-100 000
Share of profit (loss) of equity-accounted investees								833	833
Profit (loss) for the current period						11 181			11 181
Balance as at 31/12/2020	100 000				308 439	11 181	-128 600	833	291 853

	Registered capital	Own shares and ownership interests	Premium	Other capital contributions	Retained profits	Profit (loss) for the current period	Approved advance profit distribution	Share of profit (loss) of equity-accounted investees (+/-)	Total
Balance as at 1/1/2019	100 000	-13 200	17 995	3 490	134 066	104 946	-13 800	-14 029	319 468
Additions to funds			-13 225	10	104 132	-104 946		14 029	
Reductions of funds									
Sale of own shares		11 000	-4 770						6 230
Approved advance profit distributed							-14 800		-14 800
Share of profit (loss) of equity-accounted investees								-167	-167
Profit (loss) for the current period						68 908			68 908
Balance as at 31/12/2019	100 000	-2 200		3 500	238 198	68 908	-28 600	-167	379 639



NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS (CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

1. Description and principal activities of the Parent Company and the Group

Establishment and description of the Parent Company

Partners Financial Services, a.s. (“the Company”) was registered on 23 August 2006 under the business name NOSTIMO, a.s., with its registered office at Lidická 710/57, Brno. Following a change of ownership, on 14 June 2007 the business name changed to Partners for Life Planning, a.s. and on 26 June 2007 the Company’s registered office address changed to Stýblova 253/13, Prague 4. The latest change in the Company’s business name and registered office address occurred on 1 January 2012. At present, the Company is recorded in the Commercial Register under the business name Partners Financial Services, a.s., with its registered office at Türkova 2319/5b, Prague 4 – Chodov, postcode 149 00.

The Company is the parent company (“the Parent Company”) of a group of companies (“the Group”), with its principal activity comprising the provision of investment brokerage services. Through its subsidiaries, the Company manages the Partners Universe investment funds, provides training services and operates its website.

Ownership structure

As at the balance sheet date, the Company had issued 2 000 registered shares. As at the balance sheet date, the Company held 0 treasury shares (2019: 4 pieces).

Shareholders of the company as at 31 December 2020:

Apana s.r.o.	50 %
Brno Investment Group s.r.o.	37 %
EDEN Partners, a.s.	5,45 %
Other	7,55 %

Registered office as at 31 December 2020

Partners Financial Services, a.s.
Türkova 2319/5b
149 00 Prague 4 - Chodov
Czech Republic

Identification number

276 99 781

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

Members of the board of directors and supervisory board as at 31 December 2020

Members of the board of directors	Members of the supervisory board
Petr Borkovec (chair)	Lucie Simpartlová (chair)
Petr Bartoš (vice-chair)	Radim Lukeš
Lada Kičmerová (vice-chair)	
Simona Machulová	
Tatiana Purdiaková	
Gabriela Beránková Kudrnová	

Principal activities

- investment broker
- manufacture, trade and services not listed in Annexes 1 to 3 of the Trade Licensing Act
- brokerage according to the Act on Distribution of Insurance and Reinsurance
- brokerage of consumer loans
- brokerage according to the Act on Supplementary Pension Savings
- accounting consultants, bookkeeping, tax records

Changes in the Commercial Register

In 2020 the following changes were made in the Commercial Register:

- On 1 July, all members of the Board of Directors were re-elected to their positions, the change was entered in the Commercial Register on 11 August 2020.

Organisational structure

The Company is organised into individual functional departments, based on the approved organisational chart.

The Company’s board of directors manages the head office division (led by the chairman of the board of directors) and the distribution division (led by the chief executive officer). In addition, the following committees report to the board of directors:

- Product management committee
- Ethics committee
- Council of directors

The head office division consists of the following departments:

- Sales
- Operations
- Marketing
- Legal services and compliance
- Finance
- HR & Training
- Branch distribution
- Online distribution

Group structure

The Group includes subsidiaries, that it controls and affiliated companies in which the company has a significant influence. Partners Financial Services, a.s. is the consolidating entity.

The following table summarises group entities consolidated using the direct method:

2020	Ownership (%)	Number of shares held	Registered capital in TCZK
Partners investiční společnost, a.s.	100%	40	20 000
Partners media, s.r.o.	100%	---	20 000
Rentea penzijní společnost, a.s.	75,09%**	375 450	50 000
Trigea nemovitostní fond, SICAV, a.s.	65%	13	200
Simplea pojišťovna, a.s.	63,46%*	666 330	105 000

* Direct share in Simplea pojišťovna, a.s. was 50,01 %, the total ownership share was 63, 46 %. The number of directly owned shares was 525 105, totalling 666 330.

** Direct share in Rentea penzijní společnost, a.s. was 50,01 %, the total ownership share was 75, 09 %. The number of directly owned shares was 250 050, totalling 375 450.

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

2019	Ownership (%)	Number of shares held	Registered capital in TCZK
Partners investiční společnost, a.s.	100%	40	20 000
Partners media, s.r.o.	100%	---	20 000
Partners akademie, s.r.o.	100%	---	200
PM Vysočany s.r.o.	70%	---	20
Trigea nemovitostní fond, SICAV, a.s.	65%	13	200
Simplea pojišťovna, a.s.	66,84%	701 820	105 000

* Direct share in Simplea pojišťovna, a.s. was 50,01 %, c the total ownership share was 66,835 %. The number of directly owned shares was 525 105, totalling 701 820.

2020	Partners investiční společnost, a.s.	Partners media, s.r.o.	Trigea nemovitostní fond, SICAV, a.s.	Simplea pojišťovna, a.s.
Registered office	Türkova 2319/5b, Prague 4, 149 00	Türkova 2319/5b, Prague 4, 149 00	Türkova 2319/5b, Prague 4, 149 00	Türkova 2319/5b, Prague 4, 149 00
Registered capital	20 000	20 000	200	105 000
Equity	64 045	18 621	7 770	350 573
Profit/(loss) for the period	24 865	-3 300	-188	3 222
Total assets	86 585	22 361	8 506	435 552
Type of consolidation	direct	direct	direct	direct
Consolidation method	full	full	full	full

2020	Rentea penzijní společnost, a.s.
Registered office	Türkova 2319/5b, Prague 4, 149 00
Registered capital	105 00
Equity	129 020
Profit/(loss) for the period	-980
Total assets	133 933
Type of consolidation	direct
Consolidation method	full

2019	Partners investiční společnost, a.s.	Partners media, s.r.o.	Partners akademie, s.r.o.	PM Vysočany s.r.o.
Registered office	Türkova 2319/5b, Prague 4, 149 00	Türkova 2319/5b, Prague 4, 149 00	Türkova 2319/5b, Prague 4, 149 00	Sokolovská 979/209 Prague 9, 199 00
Registered capital	20 000	20 000	200	20
Equity	79 180	21 921	-1 648	-769
Profit/(loss) for the period	45 791	1 921	- 2 852	-901
Total assets	102 344	25 034	566	1 071
Type of consolidation	direct	direct	direct	direct
Consolidation method	full	full	full	full

2019	Trigea nemovitostní fond, SICAV, a.s.	Simplea pojišťovna, a.s.
Registered office	Türkova 2319/5b, Prague 4, 149 00	Türkova 2319/5b, Prague 4, 149 00
Registered capital	200	105 000
Equity	-242	279 805
Profit/(loss) for the period	-442	-20 768
Total assets	537	314 713
Type of consolidation	direct	direct
Consolidation method	full	full

As at 31 December 2020, the Group also had a controlling share in the companies given below. During 2021 the Group sold a significant part of its shares and lost control of these companies. The company used the option not to include these entities into the consolidation group and report its shares at cost less any provisions.

Ownership interests							
	Ownership	Shares held	Nominal share value	Total profit (+) loss (-) for 2020	Equity at 31/12/2020	Acquisition cost	Adjustment to ownership interest
PBK Technology, s.r.o.	100 %		---	-10 056	12 044	22 100	---
Partners BankIn, a.s.	100 %		---	-54	9 946	10 000	---
Partners Branka, a.s.	5 %*		---	-164	9 836	500	---
Total at 31. 12. 2020			---	---	---	32 600	---

* Direct share in Partners Branka, a.s. as at 31 December 2020 was 5 %, the total ownership share was 100 %.

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

An overview of associated entities is presented in note 7.

The financial statements of Partners Financial Services, a.s., Simplea pojišťovna, a.s., Partners investiční společnost, a.s. a Trigea nemovitostní fond, SICAV, a.s. as at 31 December 2020 were audited.

2. Significant accounting policies applied by the Company

The financial statements have been prepared based on accounting records maintained in accordance with the Accounting Act and relevant regulations and decrees in effect in the Czech Republic.

The financial statements have been prepared on a going concern company.

These financial statements have been prepared in accordance with Decree of the Ministry of Finance No. 500/2002 Coll., which implements certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for business entities using double-entry bookkeeping.

(a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost.

Intangible fixed assets comprise intangible assets individually costing more than TCZK 60 whose useful lives exceed one year. Such assets may be acquired for a consideration, through a contribution or donation, or internally. Tangible fixed assets comprise tangible assets individually costing more than TCZK 40 whose useful lives exceed one year. Such assets may be acquired for a consideration, through a contribution or donation, or internally.

Appurtenances to fixed assets are items that form a single complex of assets with the main asset and are part of its valuation and recording. Appurtenances either form part of a delivery or are attached to the main asset subsequently, i.e. by means of technical improvement. Where items do not form a single complex of assets with the main asset, they are treated as separate movable assets. Technical improvements to fixed assets comprise such expenses for any completed extension, upgrade, modification, renovation or modernisation of assets that exceed in aggregate TCZK 40 in respect of a single asset for the taxable period. Expenses for technical improvements are monitored during the accounting period. At the end of the accounting period, technical improvements are capitalised, increasing the cost of the respective asset(s).

The Group has defined low-value tangible fixed assets as tangible assets costing less than TCZK 40 but more than TCZK 30 with useful lives exceeding one year.

Based on the decision of the employee responsible for their acquisition, all assets within this group will be classified into depreciation categories with a depreciation period of 36 or 60 months.

The Group has defined low-value intangible fixed assets as intangible assets costing less than TCZK 60 but more than TCZK 30 with useful lives exceeding one year.

Intangible and tangible assets costing from TCZK 1 to TCZK 30 with useful lives of more than one year are maintained off-balance sheet. These assets are presented under “Services” or

“Materials and consumables” in the consolidated income statement; single-use equipment is recognised on an accrual basis.

Intangible and tangible assets costing less than TCZK 1 and assets with useful lives not exceeding one year are presented under “Services” or “Materials and consumables” in the consolidated income statement and are not maintained off-balance sheet.

Where the Group acquires a large amount of assets in connection with the “initial equipment” required to commence or expand certain activities, the depreciation of these assets will be accrued, based on the decision of the employee responsible for asset acquisition, for a period of at least 24 months.

Assets are depreciated using the following methods over the following periods:

Assets	Method	Period
Buildings, technical improvements	Straight-line, declining balance	30 or 50 years
Machinery and IT equipment	Declining balance	3 years
Fixtures and fittings	Declining balance	5 years
Motor vehicles	Declining balance	5 years
Other intangible assets	Straight-line	72 months
Software	Straight-line	36 months
Audiovisual works	Straight-line	18 months

(b) Short-term securities and ownership interests

Securities held for trading and held-to-maturity debt securities due within one year are recorded at acquisition cost.

As at the balance sheet date short-term securities held for trading are measured at fair value. Any change in valuation in the accounting period is recorded in revenues (expenses) from revaluation of securities and derivatives. Where fair value cannot be reliably determined, short-term securities held for trading are recognised at cost. Adjustments are established if the net realisable value of these assets has been impaired.

(c) Inventories

Raw materials are stated at cost, which includes the purchase price of the materials and related customs duties and in-transit storage and freight costs incurred in delivering the materials to the manufacturing facility. Cost is determined using the first-in, first-out method.

(d) Establishment of adjustments and provisions

Receivables

The Group establishes adjustments for doubtful receivables based on its own historical experience in recovering receivables.

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS (CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

Inventories

Adjustments are established to reduce the cost of inventory to net realisable value.

Provisions

A commission cancellation provision is established based on an analysis of expenses incurred for cancellations in the past, taking into account the types of contracts entered into and the duration of possible cancellations in the current period.

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Group releases this provision and records the actual tax liability determined.

In the consolidated balance sheet, the income tax provision is reduced by income tax prepayments, and the net receivable (if any) is recorded in tax receivables.

Technical insurance provision

Life insurance provision

The amount of the provision for life insurance represents the sum of provisions calculated according to individual contracts. The provision for life insurance represents the value of the Group's future obligations, calculated by actuarial methods and provisions for costs including insurance administration after deducting the value of future premium.

Reserve for insurance indemnity outstanding insurance events

Provisions for insurance indemnity are created in the amount of expected costs for insurance events:

- a) reported by the end of the current accounting period but not liquidated (RBNS),
- b) incurred in the current accounting period but not reported (IBNR).

The amount of the provision for insurance indemnity resulted from insurance events and reported by the end of the accounting period is determinates as sum of provision calculated for the individual insurance events. Insurance events incurred by the end of the accounting period but not reported, the provision is determined using an actuarial method based on the coefficient of delay between occurrence and reporting and the average amount of insurance indemnity. Calculation of provision for insurance indemnity is not discounted.

Provision for bonuses and discounts

The provision for bonuses and discounts is created to cover the Group's obligations to pay in advance one month's premium in pre-defined cases of the client's request to terminate the insurance contract. The amount is determined for individual insurance contracts by actuarial methods.

Other technical provision

At the end of each accounting period, the Group reassesses necessity to create other technical provisions (for example the provision for the fulfilment of obligations from applied technical

interest rate and other numerical parameters) that is based on all available information as at the date of preparation the financial statements (for example the result of adequacy test for technical provision).

Non-life insurance premium provision

The non-life insurance premium provision is created for non-life insurance branches where the amount of the premium depends on the entry age. This provision represents values of the future insurance company's obligations, that are calculated by actuarial methods and provisions for costs including administration of insurance, after deducting value of future premiums.

The Group is reported the reinsurer's share of technical provisions on the line Estimated accounts active.

(e) Foreign currency translation

The Group applies the Czech National Bank official rate to foreign currency transactions. During the year foreign exchange gains and losses are only recognised when realised at the time of settlement.

As at the balance sheet date, foreign currency monetary assets and liabilities are translated at the prevailing Czech National Bank official rates. Unrealised foreign exchange gains and losses are recognised in profit or loss.

In accordance with applicable accounting legislation, the amounts in the balance sheet and the income statement of the Polish subsidiary were translated using the Czech National Bank official rate at the balance sheet date in preparing these consolidated financial statements.

(f) Revenues and expenses

Revenues and expenses are recognised on an accrual basis, i.e. in the period to which they relate in terms of substance and timing.

The Group recognises revenue from commissions once payment is received from a counterparty for which an activity was brokered. At the same time, it records expense commissions that are subsequently paid to advisors conducting their activities for the Group under the contract of mandate. The Group uses the term 'fixation' to describe this point in time.

At the end of one accounting period and the beginning of another, revenues and expenses are accrued and recorded in the period to which they relate in terms of substance and timing. The most significant items at that time are revenue and expense commissions. All commissions (both revenue and expense) processed in the first fixation of the subsequent year are recorded as accrued revenues and expenses of the current year. Commissions from the second fixation of the subsequent year are assessed as to which period they relate to in terms of substance and timing, and a portion of these commissions is recorded in the current period as estimated receivables or payables.

Earned gross premiums include all amounts under insurance contracts that are materially and temporally related to the current accounting period.

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

(g) Long-term trade payables (cancellation fund)

The amount of the Group’s payables is influenced by the establishment of a cancellation fund, in which a portion of advisors’ commissions is retained, primarily due to possible future cancellations. The establishment of a cancellation fund is recognised when each individual fixation is performed, i.e. when the Group incurs a payable to its advisors.

(h) Leased assets

Lease payments are expensed on a straight-line basis over the lease term. Where an asset is purchased at the end of the lease, it is recorded at its purchase price.

(i) Income tax

Income tax for the period comprises current tax and the change in deferred tax.

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as at the first day of the accounting period, and any adjustments to taxes payable for previous periods.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax asset/liability is utilised.

A deferred tax asset is recognised only if it is probable that it will be utilised in future accounting periods.

(j) Classification of receivables and payables

The Group classifies as long-term any receivables and payables due in more than one year from the balance sheet date.

(k) Consolidation difference

The consolidation difference is the difference between the cost of an ownership interest in a consolidated entity and the fair value of the consolidating entity’s share of the consolidated entity’s equity, which amounts to the difference between the fair values of its assets and the fair values of its liabilities at the date of acquisition or at the date of an additional increase in the ownership interest (additional acquisition of shares or interests).

The consolidation difference is amortised over a six-year period.

3. Change in accounting policies and procedures

The accounting policies and procedures did not change in the current accounting period.

4. Information on facts with a significant influence on the company's activities

The COVID-19 pandemic, or rather countermeasures, significantly affected the Czech and global economies throughout 2020 and the first quarter 2021. The company responded to this situation by introducing several measures to ensure increased protection for financial advisors and clients. These measures did not materially affect the Company's operations.

5. Fixed assets

(a) Intangible fixed assets

	Intellectual property rights	Audio visual works	Software	Software up to TCZK 60	Incorporation expenses	Other intangible fixed assets	Total
Acquisition cost							
Balance at 1/1/2020	1 201	633	83 107	1 047	---	67	86 055
Additions	---	209	15 167	258	---	24 049	39 683
Disposals	221	---	6 009	108	---	12 403	18 741
Balance at 31/12/2020	980	842	92 265	1 197	---	11 713	106 997
Accumulated amortisation							
Balance at 1/1/2020	1 201	387	38 764	704	---	---	41 056
Amortisation expense	---	227	13 972	228	---	482	14 909
Disposals	221	---	4 802	86	---	---	4 862
Balance at 31/12/2020	980	614	47 934	846	---	729	51 103
Net book value 1/1/2020	---	247	44 343	343	---	67	44 999
Net book value 31/12/2020	---	228	44 331	351	---	10 984	55 894

(b) Tangible fixed assets

	Improvement to buildings	Machin. and equip.	Assets costing TCZK 30–40	Adjustments to acquired fixed assets	Other tangible fixed assets	Total
Acquisition cost						
Balance at 1/1/2020	10 986	28 726	3 258	16 105	200	59 275
Additions	1 415	4 510	207	---	5 817	11 949
Disposals	---	2 545	200	---	5 817	8 562
Balance at 31/12/2020	12 401	30 691	3 265	16 105	200	62 662
Accumulated depreciation						
Balance at 1/1/2020	1 266	18 619	2 224	9 663	---	31 772
Depreciation expense	1 824	4 960	560	---	---	7 344
Depreciation of adjustments	---	---	---	1 074	---	1 074
Disposals	---	1 838	188	---	---	2 026
Balance at 31/12/2020	3 090	21 741	2 596	10 737	---	38 164
Net book value 1/1/2020	9 720	10 107	1 034	6 442	200	27 503
Net book value 31/12/2020	9 311	8 950	669	5 368	200	24 498

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

6. Leased assets

(a) Finance leases

Costs of finance leases in 2020 amounted to TCZK 432 (2019 – TCZK 0).

(b) Operating leases

In 2020 the Group had an operating lease for 164 cars. The annual cost of this lease for 2020 was TCZK 10 968 (2019 – TCZK 2 971).

Operating lease agreements are used by both the Parent Company and its subsidiaries.

7. Consolidated associated entities

	Ownership	Total ofit (+) loss (-) for 2020	pr for 2020	Equity at 31/12//2020	Acquisition cost	Equity-method valuation at 31/12/2020
2020						
A-WebSys, spol. s r.o.	50 %	68		6 767	8 500	9 508
Partners PenIN, a.s.	49,99 %	-52		26 936	25 995	13 471
Partners InIn, a.s.	26,73 %	-31		54 225	53 025	39 083
Total at 31/12/2020				87 520		62 062
	Ownership	Total ofit (+) loss (-) for 2019	pr for 2019	Equity at 31/12//2019	Acquisition cost	Equity-method valuation at 31/12/2019
2019						
A-WebSys, spol. s r.o.	50 %	42		13 283	8 500	9 474
Partners PenIN, a.s.	49,99 %	-7		26 988	25 995	25 992
Partners InIn, a.s.	33,657 %	-178		54 256	53 162	35 135
Total at 31/12/2019				87 657		70 601

The associated entities were consolidated using the equity method. The share on the profit in equivalence amounted to TCZK 833 (2019 – TCZK -167). The Group also has a 35,3 % share in

Simply Fair Insurance a.s.. Purchase cost of this share was TCZK 140 208 (2019 – TCZK 113 302). The Group holds this share only with the purpose for subsequent sale and the group used the option not to include this entity in the consolidation group and report this share in purchase cost reduced by provisions. The Company carried out an internal analysis of the ownership interests and created an adjustment in the amount of TCZK 50 459 (2019 – TCZK 0). During 2020, the company sold its entire share in Partners akademie, s.r.o. and PM Vysočany s.r.o. and a partial share of 7 % in Partners InIn, a.s. and 4,7 % in Simply Fair Insurance a.s.

The equity investment in A-WebSys, spol. s r.o. was acquired in 2016, The equity investment in Partners InIn, a.s. was acquired in 2017 and the equity investment in Partners PenIN, a.s. was acquired in 2019.

The registered offices of the associated companies are as follows:

A-WebSys, spol. s r.o.	Partners PenIN, a.s	Partners InIn, a.s
Kounicova 966/67a	Türkova 2319/5b	Türkova 2319/5b
602 00 Brno	149 00 Prague 4	149 00 Prague 4
Czech Republic	Czech Republic	Czech Republic

Short-term investments

As at 31 December 2020 and 31 December 2019 the Group held no short-term securities or ownership interests.

8. Inventories

As at 31 December 2020 inventories in stock totalled TCZK 2 964 (2019 – TCZK 1 840).

At the stocktaking held on 31 December 2020 the Group identified inventories that are on clearance sale, or that are unsaleable and will be used for promotional purposes. Accordingly, the Group established an adjustment to inventories of TCZK 856 (2019 – TCZK 761).

9. Trade receivables and payables

(c) Short-term trade receivables total TCZK 73 257 (2019 – TCZK 90 936), of which TCZK 29 975 (2019 – TCZK 35 846) relates to receivables arising from unpaid cancellations. An adjustment of TCZK 13 917 (2019 – TCZK 17 938) was set up at 31 December 2020 for doubtful receivables.

Short-term trade payables total TCZK 91 195 (2019 – TCZK 131 125) and primarily consist of unpaid commissions as at the balance sheet date of TCZK 62 703 (2019 – TCZK 45 183). Of the total amount of short-term payables, overdue payables total TCZK 242 (2019 – TCZK 3 559).

(d) Long-term trade payables total TCZK 63 997 (2019 – TCZK 62 643) and relate to the Group’s cancellation fund established in accordance with the accounting policy described in note 2 (h). The

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

cancellation fund mainly includes advisors’ commissions that have been retained and that will be used to settle future cancellations.

None of the Group’s receivables or payables are more than five years overdue.

10. Advances

Short-term advances paid, totalling TCZK 68 457 (2019 – TCZK 51 281), predominantly consist of advances provided to advisors for future commissions of TCZK 61 607 (2019 – TCZK 46 918).

Long-term advances paid, totalling TCZK 5 946 (2019 – TCZK 5 760), represent advances for advisers and franchises from rental deposits.

Short-term advances paid, totalling TCZK 91 848 (2019 - TCZK 1 975), predominantly consist of received purchase price for the sold share in Simply Fair Insurance a.s. In 2020, purchase agreement was signed for the sale of the entire share, totalling TCZK 89 749, which was paid by the counterparty. However, the share was not transferred as at 31 December 2020 due to the approval of the transaction by the Czech National Bank. Short-term advances received primarily include advances relating to future commissions paid by business partners, amounting to TCZK 2 099 (2019 – TCZK 1 901).

Long-term advances received, totalling TCZK 36 000 (2019 – TCZK 36 283), primarily comprise payments received in connection with concluded option contracts of TCZK 31 649 (2019 – TCZK 33 525).

11. Estimated receivables and payables

Estimated receivables, totalling TCZK 43 087 (2019 – TCZK 32 003), comprise estimated revenue commissions relating to the prior period of TCZK 45 897 (2019 – TCZK 28 782) and the share of technical provisions in the amount of TCZK 5 111 (2019 – TCZK 1 262).

Estimated payables, totalling TCZK 167 835 (2019 – TCZK 75 305), primarily comprise estimated expense commissions and other fees payable to advisors relating to the current period of TCZK 116 448 (2019 – TCZK 39 604) and estimates of reinsurance in the amount of TCZK 11 789 (2019 – TCZK 3 364).

12. Other receivables

Other long-term receivables, totalling TCZK 89 915 (2019 – TCZK 27 841), comprise long-term loans provided to related company due on 31 December 2024 with an interest rate 3,35 % p.a. in the amount of TCZK 53 625 (2019 – TCZK 0). Other receivables also contain long-term loans provided to the Company’s advisors and employees that are due in more than one year from the balance sheet date. In connection with the provided loan, the Group has provided loan promise due to the undrawn credit facility in the amount of TCZK 19 250.

Other short-term receivables, totalling TCZK 32 502 (2019 – TCZK 63 257), mainly include short-term loans provided to the Group’s advisors and employees due within one year.

As at 31 December 2020 an adjustment of TCZK 10 479 (2019 – TCZK 11 477) was set up in respect of loans to advisors.

13. Deferrals and accruals

Prepaid expenses of TCZK 9 891 (2019 – TCZK 8 167) comprise deferred costs of commissions, licenses, property insurance, subscription and rent paid in advance.

Accrued revenues of TCZK 173 330 (2019 – TCZK 138 010) mainly include revenue commissions arising from financial brokerage activities and collected during January of the subsequent accounting period.

Accrued expenses of TCZK 97 425 (2019 – TCZK 72 143) primarily consist of expense commissions and other fees payable to advisors of TCZK 91 995 (2019 – TCZK 66 898) and invoices received relating to the current period and paid in the subsequent period of TCZK 4 352 (2019 – TCZK 5 245).

14. Adjustments relating to operating activities

	Adjustment to inventories	Adjustment to receivables	Total
Balance at 1/1/2020	761	29 389	30 150
Additions	856	13 873	14 729
Release/utilisation	-761	-18 866	-19 627
Balance at 31/12/2020	856	24 396	25 252

15. Provisions

	Provision for income tax	Cancellation provision	Other provisions	Technical insurance reserves	Total
Balance at 1/1/2020	11 286	41 000	5 690	10 607	57 297
Additions	11 641	---	11 827	66 207	78 034
Release/utilisation	---	---	5 690	10 105	15 795
Balance at 31/12/2020	17 655	41 000	11 827	66 709	119 536

Technical insurance reserves mainly represent the IBNR reserve in the amount of TCZK 5 775 (2019 – TCZK 5 775), RBNS reserve in the amount of TCZK 676 (2019 – TCZK 676) and the non-life insurance reserve in the amount of TCZK 3 458 (2019 – TCZK 3 458).

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

16. Bank loans

As at 31 December 2020, the Company had bank loans totalling TCZK 186 255 (2019 – TCZK 221 935). A loan with a balance of TCZK 148 755, had fixed interest rate of 2,40 % p.a. and a maturity date of 31 March 2023. In 2020, the Company draw a new loan, which had a balance in amount of TCZK 37 500, a fixed interest rate of 3,35 % p.a. and a maturity date of 29 December 2023. Loans due in the following 12 months had a balance of TCZK 85 680. The company also drew a short-term overdraft of TCZK 8 127 (2019 – TCZK 67 661) that is due on 31 July 2021. The undrawn credit facility as at 31 December 2020 amounted to TCZK 71 873 (2019 – TCZK 12 339).

17. Bonds issued

Partners Financial Services, a.s. in 2020 issued bonds with a fixed income interest of 4% p.a. in accordance with Chapter V, Section 1, Paragraph 1.8 of the Union Prospectus for Growth BONDS PARTNERS 4.0/25 approved by a decision of the Czech National Bank File no. 2020/009549/CNB/570, Sp. S-Sp-2019/00080/CNB/572 from 17 January 2020, which came into legal force on 21 January 2020. Bonds were issued in the total nominal value of TCZK 143 200 and the public bid of bonds was terminated on 22 April 2020 in accordance with the prospectus.

The coupon is paid out once a year and the maturity date of the bonds is 22 January 2025. The bonds’ interest expense totalled TCZK 5 389 as at 31 December 2020.

18. Segment information

All revenue was generated in the Czech Republic. Revenue from commissions for brokered contracts, earned premiums, revenues from management fees of mutual funds, entry fees from clients and revenues from services provided to advisers, contribute the most to the Group's revenues: and revenue from services provided to advisers:

	2020	2019
Revenue from own products and services	1 771 072	1 406 201
Of which: Revenue from commissions	1 384 776	1 231 928
Earned premiums	217 286	20 575
Revenues from management fees and entry fees from clients	120 635	114 750
Other revenue (sale of services and materials)	48 375	38 948
Proceeds from disposals of fixed assets and materials	861	350
Other operating revenue	23 289	10 438
Of which: Contractual penalties and default interest	2 231	1 853
Re-invoicing	93	1 994
Reinsurer's share in the creation of technical provisions and profitsharing	16 696	1 870
Other	2 937	4 721
Total	1 795 222	1 416 989

19. Services received

Costs of services are the most significant portion of the Group’s total costs. Costs of commissions paid to advisors form a major part of the total amount:

	2020	2019
Commission expenses	1 290 897	1 068 868
Repairs and maintenance	4 184	3 279
Advertising and marketing	25 001	19 521
Rent, including utilities	17 084	14 995
Training	5 492	13 173
Contract work	30 445	32 719
Other	76 782	55 011
Total	1 449 885	1 207 566

In 2020, the costs of research and development was in amount of TCZK 850 (2019 – MCZK 5 920).

20. Other operating expenses

Other operating expenses of TCZK 63 457 (2019 – TCZK 20 269) primarily include value added tax not applied due to a low coefficient, amounting to TCZK 11 844 (2019 – TCZK 10 187) and gross premiums transferred to reinsurers, amounting to TCZK 37 568 (2019 – TCZK 4 754).

21. Related parties

(a) Remuneration and loans provided to directors and supervisory board members

	Board of directors/ statutory representatives		Supervisory board	
	2020	2019	2020	2019
Number of members – Partners Financial Services, a.s.	6	6	2	2
Number of members – Partners investiční společnost, a.s.	3	3	3	3
Number of members – Partners media, s.r.o.	1	1	---	---
Number of members – Trigea nemovitostní fond, SICAV, a.s	1	1	2	2
Number of members – Simplea pojišťovna, a.s.	3	3	3	3
	19			
Fees paid	640	16 120	240	240

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

Members of the board of directors and top management use company vehicles for both business and private purposes.

(b) Transactions with related parties

	Volume of mutual transactions		Receivables/Payables (-) at 31/12	
	2020	2019	2020	2019
Purchase of treasury shares	---	---	---	---
Sale of treasury shares	200	11 000	---	---
Provided loans – Controlling person	---	170 000	177 038	173 730
Mutual relations – Controlled person	---	---	5 672	4 236
Loans provided – Controlled person	71 250	---	53 625	---

The provided loans represents a loan to the controlling company Brno Investment Group s.r.o. and Apana s.r.o. with a credit limit of MCZK 170, of which MCZK 85 has interest rate of 1,95 % and MCZK 85 interest rate of 2,4 % pa, the remaining part of the receivable consists of interest in the amount of TCZK 7 038 (2019 – TCZK 3 730).

Mutual relations with the controlled company represent mainly a short-term receivable from Rentea penzijní společnost, a.s. in the amount of TCZK 4 961 (2019 - 0 CZK).

The loan provided to other related parties represents a loan from Partners Chodov Properties, s.r.o. with a credit limit of TCZK 71 250 (2019 – TCZK 0) and a fixed interest rate of 3,35 %. The balance of this loan was TCZK 53 625 as at 31 December 2020.

22. Employees and executives

Average FTE number of employees and executives and personnel expenses for 2020 and 2019:

2020	Number	Wages and salaries	Social security and health insurance expenses	Social expenses
Employees	134	81 830	25 189	4 401
Executives	12	19 460	5 943	1 063
Total	146	100 830	31 132	5 464

2019	Number	Wages and salaries	Social security and health insurance expenses	Social expenses
Employees	120	76 689	25 017	4 602
Executives	12	16 120	4 689	725
Total	132	92 809	29 706	5 327

23. Social security and health insurance liabilities

Social security and health insurance liabilities total TCZK 3 618 (2019 – TCZK 3 203), of which TCZK 2 444 (2019 – TCZK 2 063) relates to social security liabilities and TCZK 1 174 (2019 – TCZK 1 140) to health insurance liabilities. None of these liabilities are overdue.

24. Tax liabilities and subsidies

Tax liabilities amount to TCZK 2 514 (2019 – TCZK 2 198) and primarily relate to employees’ personal income tax of TCZK 1 436 (2019 – TCZK 1 348) and value added tax for December of TCZK 1 203 (2019 – TCZK 1 278).

As at 31 December 2020 and 31 December 2019 the Group had no overdue tax liabilities.

25. Fees payable to statutory auditors

The Group’s expenses relating to fees payable to statutory auditors were as follows:

	2020	2019
Statutory audit	2 009	1 592
Tax advisory	508	632
Total	2 517	2 224

26. Income tax

(a) Current tax

Current income tax, amounting to TCZK 35 525 (2019 – TCZK 23 800), comprises the tax estimate for 2020 of TCZK 35 514 (2019 – TCZK 25 087) and a tax adjustment for 2019 of TCZK 11 (2019 – TCZK -1 275).

(b) Deferred tax

Deferred tax assets and liabilities:

	Assets		Liabilities		Net	
	2020	2019	2020	2019	2020	2019
Tangible fixed assets	5 093	---	-1 440	-1 637	3 653	-1 637
Provisions	25 483	8 820	---	---	25 483	8 820
Deferred tax asset/(liability)	30 576	8 820	-1 440	-1 637	29 136	7 183

In accordance with the accounting policy described in note 2 (i), a tax rate of 19% (2019 – 19%) was used to calculate deferred tax.

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

27. Contingencies and commitments

The Group has contractual obligations related to the lease of cars under operating leases. The lease transactions are described in notes 6 (a) and 6 (b) of the notes to the financial statements. The obligation not included in the balance sheet was in total amount of TCZK 7 426.

The Company committed due to Agreement on the surcharge outside the registered capital towards Rentea penzijní společnost, a.s. as at 4 August 2020 to provide a voluntary cash surcharge outside the registered capital in the total amount of TCZK 50 000. The maturity is separate into three years of launching the pension company.

As at 31 December 2020, assets under management amounted to TCZK 6 426 300 (2019 – TCZK 4 593 337).

28. Material subsequent event

On 13 January 2021, Partners, as the person offering the securities, published on its website a prospectus entitled "SHARES OF PARTNERS BANKIn, a.s." and launched a public offering of shares of this company in the zero tranche, in which it released for sale shares representing a total of 34.56875% of the share capital of Partners BankIn, a.s. According to the terms of the prospectus, the offer of shares is intended only for a selected group of persons designated by Partners, namely its financial advisors and persons directly related to them, other persons cooperating with it as self-employed persons and employees, and members of statutory and supervisory bodies of companies from the financial group Partners, i.e. retail investors. The public offer will be active until 13 January 2022. The prospectus also anticipates the first tranche, on the basis of which Partners is prepared to allocate additional shares for sale amounting to a total of 14.475% of the share capital.




In February 2021, Partners also sold a share of 50,03125 % in Partners BankIn, a.s. Brno Investment Group s.r.o. as a qualified investor. This transaction was outside the scope of the above-mentioned prospectus.

At the beginning of 2021, Partners participated in the increase of the registered capital of Partners Branka, a.s. by committing new shares using its pre-emptive right in proportion to its current share in the registered capital.

On 31 March 2021, Partners sold their 100 % share in the subsidiary PBK Technology, s.r.o. to Partners Branka, a.s. PBK Technology, s.r.o. was established and financed from the beginning by Partners as a special purpose vehicle to carry out preparatory work for the future bank project, so its sale was a planned step.

In March 2021, a loan was repaid by Brno Investment Group, s.r.o.

Apart from the above, no other events have become known since the balance sheet date that would require an adjustment or disclosure in the financial statements.

Prepared on:	Signature of authorised representative	Person responsible for accounting (name and signature)	Person responsible for financial statements (name and signature)
14 May 2021	Petr Borkovec	Tatiana Purdiaková	Tatiana Purdiaková
			

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PARTNERS FINANCIAL SERVICES, A.S.



KPMG Česká republika Audit, s.r.o.
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This document is an unsigned English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Shareholders of Partners Financial Services, a.s.

Opinion

We have audited the accompanying consolidated financial statements of Partners Financial Services, a.s. ("the Company") and its subsidiaries (together "the Group"), prepared in accordance with Czech accounting legislation, which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year 2020 then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Group is set out in Note 1 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year 2020 then ended in accordance with Czech accounting legislation.

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, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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.

KPMG Česká republika Audit, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Recorded in the Commercial Register kept by the Municipal Court in Prague, Section C, Insert No. 24185

Identification No. 49619187
VAT No. CZ099001999
ID data box: 690496



Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the consolidated annual report other than the separate and the consolidated financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and the consolidated 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 laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those 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 matters that are also presented in the separate and the consolidated financial statements is, in all material respects, consistent with the separate and the consolidated financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

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

Responsibilities of the Statutory Body and Supervisory Board for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the statutory body is responsible for assessing the Group'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 statutory body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF PARTNERS FINANCIAL SERVICES, A.S.



Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the above regulations 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body’s 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 Group’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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.



Statutory Auditor Responsible for the Engagement

Ing. Veronika Strolená is the statutory auditor responsible for the audit of the consolidated financial statements of Partners Financial Services, a.s. as at 31 December 2020, based on which this independent auditor’s report has been prepared.

Prague
14 May 2021

Signed by

KPMG Česká republika Audit, s.r.o.
Registration number 71

Signed by

Ing. Veronika Strolená
Partner
Registration number 2195



BALANCE SHEET IN FULL FORMAT AS AT 31 DECEMBER 2020

BALANCE SHEET

BALANCE SHEET
in full format
as at 31 December 2020
(in thousands of Czech crowns)
Translated from the Czech original

Name and regist. office of the Company

Partners Financial Services, a.s.
Türkova 2319/5b
149 00 Praha 4
Czech Republic

Identification number
27699781

Ident. a	ASSETS b	line c	Current period			Prior period
			Gross 1	Adjust. 2	Net 3	Net 4
	TOTAL ASSETS	1	1 514 484	- 140 867	1 373 617	1 135 087
B.	Fixed assets	2	813 927	- 118 093	695 834	577 410
B.I.	Intangible fixed assets	3	61 581	- 41 985	19 596	42 658
B.I.2.	Intellectual property rights	4	57 560	- 41 985	15 575	42 591
B.I.2.1.	Software	5	55 918	- 40 571	15 347	42 345
B.I.2.2.	Other intellectual property rights	6	1 642	- 1 414	228	246
B.I.5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	7	4 021		4 021	67
B.I.5.2.	Intangible fixed assets under construction	8	4 021		4 021	67
B.II.	Tangible fixed assets	9	43 308	- 25 649	17 659	19 413
B.II.1.	Land and buildings	10	12 401	- 3 090	9 311	9 720
B.II.1.2.	Buildings	11	12 401	- 3 090	9 311	9 720
B.II.2.	Plant and equipment	12	30 707	- 22 559	8 148	9 493
B.II.4.	Other tangible fixed assets	13	200		200	200
B.II.4.3.	Other tangible fixed assets	14	200		200	200
B.III.	Long-term investments	15	709 038	- 50 459	658 579	515 339
B.III.1.	Equity investments - group undertakings	16	481 310		481 310	289 375
B.III.3.	Equity investments - associated companies	17	227 728	- 50 459	177 269	200 959
B.III.7.	Other long-term investments	18				25 005
B.III.7.2.	Advance payments for long-term investments	19				25 005

BALANCE SHEET

Partners Financial Services, a.s.

Balance sheet
as at 31 December 2020

Ident.	ASSETS	line	Current period			Prior period
			Gross	Adjust.	Net	Net
a	b	c	1	2	3	4
C.	Current assets	20	520 077	- 22 774	497 303	412 783
C.I.	Inventories	21	2 964	- 856	2 108	1 079
C.I.1.	Raw materials	22	2 964	- 856	2 108	1 079
C.II.	Receivables	23	485 446	- 21 918	463 528	403 234
C.II.1.	Long-term receivables	24	282 633		282 633	219 391
C.II.1.2.	Receivables - group undertakings	25	177 749		177 749	177 966
C.II.1.4.	Deferred tax asset	26	9 803		9 803	7 321
C.II.1.5.	Receivables - other	27	95 081		95 081	34 104
C.II.1.5.2.	Long-term advances paid	28	5 926		5 926	5 760
C.II.1.5.4.	Other receivables	29	89 155		89 155	28 344
C.II.2.	Short-term receivables	30	202 813	- 21 918	180 895	183 843
C.II.2.1.	Trade receivables	31	35 445	- 11 439	24 006	30 114
C.II.2.2.	Receivables - group undertakings	32	4 961		4 961	
C.II.2.4.	Receivables - other	33	162 407	- 10 479	151 928	153 729
C.II.2.4.3.	Tax receivables	34				10 877
C.II.2.4.4.	Short-term advances paid	35	68 457		68 457	50 903
C.II.2.4.5.	Estimated receivables	36	50 209		50 209	28 782
C.II.2.4.6.	Other receivables	37	43 741	- 10 479	33 262	63 167
C.IV.	Cash	38	31 667		31 667	8 470
C.IV.1.	Cash in hand	39	62		62	284
C.IV.2.	Bank accounts	40	31 605		31 605	8 186
D.	Deferrals	41	180 480		180 480	144 894
D.1.	Prepaid expenses	42	7 449		7 449	6 932
D.3.	Accrued revenues	43	173 031		173 031	137 962

Partners Financial Services, a.s.

Balance sheet
as at 31 December 2020

Ident.	LIABILITIES	line	Current	Prior period
			period	
a	b	c	5	6
	TOTAL LIABILITIES AND EQUITY	44	1 373 617	1 135 087
A.	Equity	45	422 176	405 923
A.I.	Registered capital	46	100 000	97 800
A.I.1.	Registered capital	47	100 000	100 000
A.I.2.	Own shares/ownership interests (-)	48		- 2 200
A.II.	Premium and capital contributions	49		3 500
A.II.2.	Capital contributions	50		3 500
A.II.2.1.	Other capital contributions	51		3 500
A.IV.	Retained earnings (+/-)	52	334 724	237 295
A.IV.1.	Retained profits or accumulated losses (+/-)	53	334 724	237 295
A.V.	Profit (loss) for the current period (+/-)	54	116 052	95 928
A.VI.	Approved advance profit distribution (-)	55	- 128 600	- 28 600
B. + C.	Liabilities	56	855 012	655 292
B.	Provisions	57	63 983	46 423
B.2.	Income tax provision	58	11 641	
B.4.	Other provisions	59	52 342	46 423
C.	Liabilities	60	791 029	608 869
C.I.	Long-term liabilities	61	343 787	247 696
C.I.1.	Debentures and bonds issued	62	143 200	
C.I.1.2.	Other debentures and bonds	63	143 200	
C.I.2.	Liabilities to credit institutions	64	100 575	148 755
C.I.3.	Long-term advances received	65	36 015	36 297
C.I.4.	Trade payables	66	63 997	62 644

BALANCE SHEET

Partners Financial Services, a.s.

Balance sheet
as at 31 December 2020

Ident.	LIABILITIES	line	Current period	Prior period
a	b	c	5	6
C.II.	Short-term liabilities	67	447 242	361 173
C.II.1.	Debentures and bonds issued	68	5 389	
C.II.1.2.	Other debentures and bonds	69	5 389	
C.II.2.	Liabilities to credit institutions	70	93 807	140 841
C.II.3.	Short-term advances received	71	112 210	21 975
C.II.4.	Trade payables	72	79 309	125 628
C.II.6.	Liabilities - group undertakings	73	111	151
C.II.8.	Liabilities - other	74	156 416	72 578
C.II.8.3.	Payables to employees	75	3 655	3 240
C.II.8.4.	Social security and health insurance liabilities	76	2 370	2 133
C.II.8.5.	Tax liabilities and subsidies	77	1 436	1 453
C.II.8.6.	Estimated payables	78	144 532	64 623
C.II.8.7.	Other payables	79	4 423	1 129
D.	Accruals	80	96 429	73 872
D.1.	Accrued expenses	81	96 347	71 944
D.2.	Deferred revenues	82	82	1 928

INCOME STATEMENT

INCOME STATEMENT
classification by nature
for the year ended 31 December 2020
(in thousands of Czech crowns)
Translated from the Czech original

Name and regist. office of the Company
Partners Financial Services, a.s.
Tůrkova 2319/5b
149 00 Praha 4
Czech Republic

Identification number
27699781

Ident.		line	Current period	Prior period
a	b	c	1	2
I.	Revenue from products and services	1	1 630 456	1 356 195
A.	Cost of sales	2	1 394 080	1 176 530
A.2.	Materials and consumables	3	6 152	8 435
A.3.	Services	4	1 387 928	1 168 095
C.	Own work capitalised (-)	5	- 139	- 1 946
D.	Personnel expenses	6	94 544	95 588
D.1.	Wages and salaries	7	68 578	68 892
D.2.	Social security, health insurance and other expenses	8	25 966	26 696
D.2.1.	Social security and health insurance expenses	9	22 612	22 813
D.2.2.	Other expenses	10	3 354	3 883
E.	Adjustments relating to operating activities	11	10 776	15 441
E.1.	Adjustments to intangible and tangible fixed assets	12	17 874	14 510
E.1.1.	Depreciation and amortisation of intangible and tangible fixed assets	13	17 874	14 510
E.3.	Adjustments to receivables	14	- 7 098	931
III.	Other operating revenues	15	62 632	10 478
III.1.	Proceeds from disposals of fixed assets	16	55 718	1 475
III.2.	Proceeds from disposals of raw materials	17	21	46
III.3.	Miscellaneous operating revenues	18	6 893	8 957
F.	Other operating expenses	19	60 859	32 094
F.1.	Net book value of fixed assets sold	20	28 776	1 452
F.3.	Taxes and charges	21	370	548
F.4.	Provisions relating to operating activity and complex prepaid expenses	22	5 919	10 300
F.5.	Miscellaneous operating expenses	23	25 794	19 794
*	Operating profit (loss) (+/-)	24	132 968	48 966

INCOME STATEMENT

Partners Financial Services, a.s.
Income statement - classification by nature
for the year ended 31 December 2020

Ident.	INCOME STATEMENT	line	Current period	Prior period
a	b	c	1	2
IV.	Revenue from long-term investments - equity investments	25	66 056	89 288
IV.1.	Revenue from equity investments - group undertakings	26	40 000	18 279
IV.2.	Other revenue from equity investments	27	26 056	71 009
G.	Cost of equity investments sold	28	4 431	62 599
VI.	Interest revenue and similar revenue	29	7 014	4 751
VI.1.	Interest revenue and similar revenue - group undertakings	30	7 009	4 734
VI.2.	Other interest revenue and similar revenue	31	5	17
I.	Adjustments and provisions relating to financial activity	32	47 259	- 33 962
J.	Interest expense and similar expense	33	11 900	6 587
J.2.	Other interest expense and similar expense	34	11 900	6 587
VII.	Other financial revenues	35	1 061	27
K.	Other financial expenses	36	428	331
*	Profit (loss) from financial operations	37	10 113	58 511
**	Profit (loss) before tax (+/-)	38	143 081	107 477
L.	Income tax	39	27 029	11 549
L.1.	Current tax	40	29 511	12 485
L.2.	Deferred tax (+/-)	41	- 2 482	- 936
**	Profit (loss) after tax (+/-)	42	116 052	95 928
***	Profit (loss) for the accounting period (+/-)	43	116 052	95 928
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.	44	1 767 219	1 460 739

CASH FLOW STATEMENT

CASH FLOW STATEMENT
for the year ended 31 December 2020
(in thousands of Czech crowns)
Translated from the Czech original

Name and regist. office of the Company		
Partners Financial Services, a.s.		
Türkova 2319/5b		
149 00 Praha 4		
Czech Republic		
OUT OF BALANCE		
	Current period	Prior period
P. Cash and cash equivalents, beginning of period	8 470	167 482
Net operating cash flow		
Z. Operating profit (loss) before tax	132 968	48 966
A.1. Non-cash transactions	45 132	- 15 615
A.1.1. Depreciation and amortisation of fixed assets	17 874	14 510
A.1.2. Change in:	46 079	- 32 991
A.1.2.2. provisions and adjustments relating to operating activity	46 079	- 32 991
A.1.3. Profit(-) Loss(+) on sale of fixed assets	- 26 942	- 23
A.1.4. Other non-cash transactions	8 121	2 889
A.* Net operating cash flow before taxation and changes in working capital	178 100	33 351
A.2. Changes in working capital	56 674	9 968
A.2.1. Change in receivables from operating activities, estimated receivables and deferrals	- 97 902	10 163
A.2.2. Change in short-term liabilities from operating activities, estimated payables and accruals	155 700	
A.2.3. Change in inventories	- 1 124	- 195
A.** Net operating cash flow before taxation	234 774	43 319
A.3. Interest paid excluding amounts capitalised	- 6 511	- 6 587
A.4. Interest received	- 319	4 751
A.5. Income tax paid on ordinary income and income tax relating to prior periods	- 6 972	- 18 016
A.6. Other financial receipts and disbursement	633	- 304
A.*** Net operating cash flow	221 605	23 163
Investing activities		
B.1. Acquisition of fixed assets	- 234 846	- 239 689
B.1.1. Acquisition of tangible fixed assets	- 11 432	- 14 566
B.1.2. Acquisition of intangible fixed assets	- 28 484	- 60 174
B.1.3. Acquisition of long-term investments	- 194 930	- 164 949
B.2. Proceeds from sales of fixed assets	95 718	19 754
B.2.1. Proceeds from sales of tangible and intangible fixed assets	55 718	1 475
B.2.2. Proceeds from sale of long-term investments	40 000	18 279
B.3. Advances and loans to related parties	7 333	
B.*** Net cash flow from investing activities	- 131 795	- 219 935
Financing activities		
C.1. Change in long-term resp. short-term liabilities from financing	36 307	- 7 321
C.2. Increase and decrease in equity from cash transactions	- 1 300	
C.2.1. Subscription of shares and investments	- 1 300	
C.*** Net cash flow from financing activities	35 007	- 7 321
F. Net increase or decrease in cash balance	124 817	- 204 093
R. Cash and cash equivalents, end of period	31 667	8 470

STATEMENT OF CHANGES IN EQUITY

Identification number 27699781	Name and regist. office of the Company	
	Partners Financial Services, a.s.	
	Türkova 2319/5b	
	149 00 Praha 4	
	Czech Republic	

	Registered capital	Own shares and ownership interests	Premium	Other capital contributions	Revaluation of assets and liabilities	Retained profits or accumulated losses (+/-)	Approved advance profit distribution	Profit (loss) for the current period	Total
Balance as at 1.1.2020	100 000	-2 200	--	3 500	--	237 295	-28 600	95 928	405 923
Additions to funds	--	--	2 000	-3 500	--	97 429	--	-95 928	1
Prodej akcií	--	2 200	-2 000	--	--	--	--	--	200
1 leden 1904	--	--	--	--	--	--	-100 000	--	-100 000
Profit (loss) for the current period	--	--	--	--	--	--	--	116 052	116 052
Balance as at 31.12.2020	100 000	--	--	--	--	334 724	-128 600	116 052	422 176

	Registered capital	Own shares and ownership interests	Premium	Other capital contributions	Revaluation of assets and liabilities	Retained profits or accumulated losses (+/-)	Approved advance profit distribution	Profit (loss) for the current period	Total
Balance as at 1.1.2019	100 000	-13 200	17 995	3 500	-10	132 182	-13 800	91 888	318 555
Additions to funds	--	--	-13 225	--	--	105 113	--	-91 888	--
Shares issued	--	11 000	-4 770	--	--	--	--	--	6 230
Change in revaluation	--	--	--	--	10	--	--	--	10
1 leden 1904	--	--	--	--	--	--	-14 800	--	-14 800
Profit (loss) for the current period	--	--	--	--	--	--	--	95 928	95 928
Balance as at 31.12.2019	100 000	-2 200	--	3 500	--	237 295	-28 600	95 928	405 923



NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(NON-CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

1. Description and principal activities

Establishment and description of the Company

Partners Financial Services, a.s. (“the Company”) was registered on 23 August 2006 under the business name NOSTIMO, a.s., with its registered office at Lidická 710/57, Brno. Following a change of ownership, on 14 June 2007 the business name changed to Partners for Life Planning, a.s. and on 26 June 2007 the Company’s registered office address changed to Stýblova 253/13, Prague 4. The latest change in the Company’s business name and registered office address occurred on 1 January 2012. At present, the Company is recorded in the Commercial Register under the business name Partners Financial Services, a.s., with its registered office at Türkova 2319/5b, Prague 4 – Chodov, postcode 149 00.

Ownership structure

As at the balance sheet date, the Company had issued 2 000 registered shares. As at the balance sheet date, the Company held 0 treasury shares (2019: 4 pieces).

Registered office as at 31 December 2020

Partners Financial Services, a.s.
Türkova 2319/5b
149 00 Prague 4 - Chodov
Czech Republic

Identification number

276 99 781

Members of the board of directors and supervisory board as at 31 December 2020

Members of the board of directors

Petr Borkovec (chair)
Petr Bartoš (vice-chair)

Lada Kičmerová (vice-chair)
Simona Machulová
Tatiana Purdiaková
Gabriela Beránková Kudrnová

Members of the supervisory board

Lucie Simpartlová (chair)
Radim Lukeš

Principal activities

- investment broker
- manufacture, trade, and services not listed in Annexes 1 to 3 of the Trade Licensing Act
- brokerage according to the Act on Distribution of Insurance and Reinsurance
- brokerage of consumer loans
- brokerage according to the Act on Supplementary Pension Savings
- accounting consultants, bookkeeping, tax records

Changes in the Commercial Register

In 2020 the following changes were made in the Commercial Register:

- On 1 July, all members of the Board of Directors were re-elected to their positions, the change was entered in the Commercial Register on 11 August 2020.

Organisational structure

The Company is organised into individual functional departments, based on the approved organisational chart.

The Company’s board of directors manages the head office division (led by the chairman of the board of directors) and the distribution division (led by the chief executive officer). In addition, the following committees report to the board of directors:

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(NON-CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

- Product management committee
- Ethics committee
- Council of directors

The head office division consists of the following departments:

- Sales
- Operations
- Marketing
- Legal services and compliance
- Finance
- HR & Training
- Branch distribution
- Online distribution

2. Significant accounting policies applied by the Company

The financial statements have been prepared based on accounting records maintained in accordance with the Accounting Act and relevant regulations and decrees in effect in the Czech Republic.

These financial statements have been prepared in accordance with Decree of the Ministry of Finance No. 500/2002 Coll., which implements certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for business entities using double-entry bookkeeping.

The financial statements assume that the entity will continue as a going concern and that no fact occurs which restricts or prevents it from doing so continue in the foreseeable future.

(a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost.

Intangible fixed assets comprise intangible assets individually costing more than TCZK 60 whose useful lives exceed one year. Such assets may be acquired for a consideration, through a contribution or donation, or internally. Tangible fixed assets comprise tangible assets individually costing more than TCZK 40 whose useful lives exceed one year. Such assets may be acquired for a consideration, through a contribution or donation, or internally.

Appurtenances to fixed assets are items that form a single complex of assets with the main asset and are part of its valuation and recording. Appurtenances either form part of a delivery or are attached to the main asset subsequently, i.e. by means of technical improvement. Where items do not form a single complex of assets with the main asset, they are treated as separate movable assets. Technical improvements to fixed assets comprise such expenses for any completed extension, upgrade, modification, renovation or modernisation of assets that exceed in aggregate TCZK 40 in respect of a single asset for the taxable period. Expenses for technical improvements are monitored during the accounting period. At the end of the accounting period, technical improvements are capitalised, increasing the cost of the respective asset(s).

The Company has defined low-value tangible fixed assets as tangible assets costing less than TCZK 40 but more than TCZK 30 with useful lives exceeding one year.

Based on the decision of the employee responsible for their acquisition, all assets within this group will be classified into depreciation categories with a depreciation period of 36 or 60 months.

The Company has defined low-value intangible fixed assets as intangible assets costing less than TCZK 60 but more than TCZK 30 with useful lives exceeding one year.

Intangible and tangible assets costing from TCZK 1 to TCZK 30 with useful lives of more than one year are maintained off-balance sheet. These assets are presented under “Services” or “Materials and consumables” in the income statement; single-use equipment is recognised on an accrual basis.

Intangible and tangible assets costing less than TCZK 1 and assets with useful lives not exceeding one year are presented under “Services” or “Materials and consumables” in the income statement and are not maintained off-balance sheet.

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(NON-CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

Where the Company acquires a large amount of assets in connection with the “initial equipment” required to commence or expand certain activities, the depreciation of these assets will be accrued, based on the decision of the employee responsible for asset acquisition, for a period of at least 24 months.

Assets are depreciated using the following methods over the following periods:

Assets	Method	Period
Buildings, technical improvements	Straight-line, declining balance	30 or 50 years
Machinery and IT equipment	Declining balance	3 years
Fixtures and fittings	Declining balance	5 years
Motor vehicles	Declining balance	5 years
Other intangible assets	Straight-line	72 months
Software	Straight-line	36 months
Audiovisual works	Straight-line	18 months

(b) Long-term investments

Long-term investments comprise equity investments in subsidiaries. As at the balance sheet date, investments are recognised at acquisition cost, and if a particular investment has been impaired, an adjustment is established.

(c) Short-term securities and ownership interests

Securities held for trading and held-to-maturity debt securities due within one year are recorded at acquisition cost.

As at the balance sheet date short-term securities held for trading are measured at fair value. Any change in valuation in the accounting period is recorded in revenues (expenses) from revaluation of securities and derivatives. Where fair value cannot be reliably determined, short-term securities held for trading are recognised at cost. Adjustments are established if the net realisable value of these assets has been impaired.

(d) Inventories

Raw materials are stated at cost, which includes the purchase price of the materials and related customs duties and in-transit storage and freight costs incurred in delivering the materials to the manufacturing facility. Cost is determined using the first-in, first-out method.

(e) Establishment of adjustments and provisions

Receivables

The Company establishes adjustments for doubtful receivables based on its own historical experience in recovering receivables.

Inventories

Adjustments are established to reduce the cost of inventory to net realisable value.

Provisions

A cancellation provision is established based on an analysis of expenses incurred for cancellations in the past, taking into account the types of contracts entered into and the duration of possible cancellations in the current period.

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Company releases this provision and records the actual tax liability determined.

In the balance sheet, the income tax provision is reduced by income tax prepayments, and the net receivable (if any) is recorded in tax receivables.

(f) Foreign currency translation

The Company applies the Czech National Bank official rate to foreign currency transactions. During the year foreign exchange gains and losses are only recognised when realised at the time of settlement.

As at the balance sheet date, foreign currency monetary assets and liabilities are translated at the prevailing Czech National Bank official rates. Unrealised foreign exchange gains and losses are recognised in profit or loss.

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(NON-CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

(g) Revenues and expenses

Revenues and expenses are recognised on an accrual basis, i.e. in the period to which they relate in terms of substance and timing.

The Company recognises revenue from commissions once payment is received from a counterparty for which an activity was brokered. At the same time, it records expense commissions that are subsequently paid to advisors conducting their activities for the Company under the contract of mandate. The Company uses the term ‘fixation’ to describe this point in time.

At the end of one accounting period and the beginning of another, revenues and expenses are accrued and recorded in the period to which they relate in terms of substance and timing. The most significant items at that time are revenue and expense commissions. All commissions (both revenue and expense) processed in the first fixation of the subsequent year are recorded as accrued revenues and expenses of the current year. Commissions from the second fixation of the subsequent year are assessed as to which period they relate to in terms of substance and timing, and a portion of these commissions is recorded in the current period as estimated receivables or payables.

(h) Long-term trade payables (cancellation fund)

The amount of the Company’s payables is influenced by the establishment of a cancellation fund, in which a portion of advisors’ commissions is retained, primarily due to possible future cancellations. The establishment of a cancellation fund is recognised when each individual fixation is performed, i.e. when the Company incurs a payable to its advisors.

(i) Leased assets

Lease payments are expensed on a straight-line basis over the lease term. Where an asset is purchased at the end of the lease, it is recorded at its purchase price.

(j) Income tax

Income tax for the period comprises current tax and the change in deferred tax.

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as at the first day of the accounting period, and any adjustments to taxes payable for previous periods.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax asset/liability is utilised.

A deferred tax asset is recognised only if it is probable that it will be utilised in future accounting periods.

(k) Classification of receivables and payables

The Company classifies as long-term any receivables and payables due in more than one year from the balance sheet date.

(l) Consolidation

Pursuant to Section 62 of Decree No. 500/2002 Coll., the financial statements of the Company and of all its consolidated entities (Partners investiční společnost, a.s., Partners media, s.r.o., Simplea pojišťovna a.s., Rentea penzijní společnost, a.s., A-WebSys, spol. s r.o., Partners InIn, a.s., Partners PenIn,a.s. and Trigea nemovitostní fond, SICAV, a.s.) have been included in the Company’s consolidation financial statements in accordance with Czech accounting legislation.

Partners Financial Services, a.s. has not prepared an annual report as at 31 December 2020, as it intends to include the respective information in the consolidated annual report.

3. Change in accounting policies and procedures

The accounting policies and procedures did not change in the current accounting period.

4. Information on facts with a significant influence on the company's activities

The COVID-19 pandemic, or rather countermeasures, significantly affected the Czech and global economies throughout 2020 and the first quarter 2021. The company responded to this situation by introducing several measures to ensure increased protection for financial advisors and clients. These measures did not materially affect the Company's operations.

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(NON-CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

5. Fixed assets

(a) Intangible fixed assets						
	Intellectual property rights	Audio visual works	Software	Software up to TCZK 60	Intangible assets under construction	Total
Acquisition cost						
Balance at 1/1/2020	1 021	633	75 936	842	67	78 499
Additions	---	209	11 855	202	16 219	28 485
Disposals	221	---	32 808	109	12 265	45 403
Balance at 31/12/2020	800	842	54 983	935	4 021	61 581
Accumulated amortisation						
Balance at 1/1/2020	1 021	387	33 775	658	---	35 841
Amortisation expense	---	227	10 837	160	---	11 224
Disposals	221	---	4 773	86	---	5 080
Balance at 31/12/2020	800	614	39 839	732	---	41 985
Net book value 1/1/2020	---	246	42 161	184	67	42 658
Net book value 31/12/2020	---	228	15 144	203	4 021	19 596

(b) Tangible fixed assets						
	Improvement to buildings	Machin. and equip.	Assets costing TCZK 30–40	Artworks	Tangible assets under construction	Total
Acquisition cost						
Balance at 1/1/2020	10 986	26 155	2 940	200	---	40 281
Additions	1 415	4 093	107	---	5 615	11 230
Disposals	---	2 388	200	---	5 615	8 203
Balance at 31/12/2020	12 401	27 860	2 847	200	---	43 308
Accumulated depreciation						
Balance at 1/1/2020	1 266	17 491	2 111	---	---	20 868
Depreciation expense	1 824	4 346	466	---	---	6 636
Disposals	---	1 667	188	---	---	1 855
Balance at 31/12/2020	3 090	20 170	2 389	---	---	25 649
Net book value 1/1/2020	9 720	8 664	829	200	---	19 413
Net book value 31/12/2020	9 311	7 690	458	200	---	17 659

None of the Company’s assets have been pledged.

6. Leased assets

(a) Operating leases

In 2020 the Company had operating lease for 164 cars. The annual cost of this lease for 2020 was TCZK 10 968 (2019 – TCZK 2 971).

(b) Finance leases

Costs of finance leases in 2020 amounted to TCZK 432 (2019 – TCZK 36).

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(NON-CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

7. Investments

(a) Long-term investments

2020

Ownership interests							
	Ownership	Shares held	Nominal share value	Total profit (+) loss (-) for 2020	Equity at 31/12/2020	Acquisition cost	Adjustment to ownership interest
Partners media, s.r.o.	100%	---	---	-3 300	18 621	20 000	---
Partners investiční společnost, a.s.	100%	40	CZK 500 000	24 864	64 044	20 000	---
Trigea nemovitostní fond, SICAV, a.s.	65 %	13	10 000	-188	7 770	5 460	---
Simplea pojišťovna, a.s.	63,46 %*	701 820	10	3 222	333 027	298 245	---
Rentea penzijní společnost, a.s.	75,09 %**		10	-981	129 019	105 005	---
PBK Technology, s.r.o.	100 %			-10 056	12 044	22 100	---
Partners BankIn, a.s.	100 %			-54	9 946	10 000	---
Partners Branka, a.s.	5 %***			-164	9 836	500	---
Total subsidiaries						481 310	---
Simply Fair Insurance a.s.	35,3 %	1 000	2 000	-281	250 509	140 208	50 459
Partners InIn, a.s.	26,733 %	200 000	10	-31	54 244	53 025	---
Partners PenIN, a.s.	49,99 %	200 000	10	-52	26 936	25 995	---
A-WebSys, spol. s r.o.	50%	---	---	68	6 767	8 500	---
Total associated companies						227 728	50 469
Total at 31/12/2020						709 038	50 459

- *

Direct share in Simplea pojišťovna, a.s. as at 31.12.2020 was 50,01 %, the total ownership share was 63,46 %.
- **

Direct share in Rentea penzijní společnost, a.s. as at 31.12.2020 was 50,01 %, the total ownership share was 75,09 %.
- ***

Direct share in Partners Branka, a.s. as at 31.12.2020 was 5 %, the total ownership share was 100 %.

The equity and financial performance information for Partners investiční společnost, a.s., Trigea nemovitostní fond, SICAV, a.s. a Simplea pojišťovna, a.s. is audited.

2019

Ownership interests							
	Ownership	Shares held	Nominal share value	Total profit (+) loss (-) for 2019	Equity at 31/12/2019	Acquisition cost	Adjustment to ownership interest
Partners akademie, s.r.o.	100%	---	---	-2 852	-1 648	3 200	-3 200
Partners media, s.r.o.	100%	---	---	1 921	21 921	20 000	---
Partners investiční společnost, a.s.	100%	40	CZK 500 000	45 791	79 180	20 000	---
PM Vysočany s.r.o.	70 %	---	---	-901	-769	1 000	---
Trigea nemovitostní fond, SICAV, a.s.	65 %	13	10 000	-442	-242	130	---
Simplea pojišťovna, a.s.	66,84%*	701 820	10	-20 768	279 805	248 245	---
Total subsidiaries						292 575	- 3 200
Simply Fair Insurance a.s.	30 %	1 000	2 000	- 1 210	210 790	113 302	---
Partners InIn, a.s.	33,657 %	200 000	10	-178	54 256	53 162	---
Partners PenIN, a.s.	49,99 %	200 000	10	-7	26 988	25 995	
A-WebSys, spol. s r.o.	50 %	---	---	42	13 283	8 500	---
Total associated companies						200 959	---
Prepayments on long-term financial assets						25 005	
Total at 31/12/2019						518 539	-3 200

* Direct share in Simplea pojišťovna, a.s. as at 31.12.2019 was 50,01 %, the total ownership share was 66,835 %.

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(NON-CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

In 2020, the company had income from long-term financial assets due to received dividends from Partners investiční společnost, a.s. in the amount of TCZK 40 000 (2019 – TCZK 18 279).

As at 31 December 2020 the carrying amount of the Company’s ownership interests in certain entities exceeded the amount of their equity. The Company carried out an internal analysis of the ownership interests and created an adjustment to the ownership interests in Simply Fair Insurance a.s.in the amount of TCZK 50 459. During 2020, the company sold its entire share in Partners akademie, s.r.o. and PM Vysočany s.r.o. and a partial share of 7 % in Partners InIn, a.s. and 4,7 % in Simply Fair Insurance a.s. The total sale price was TCZK 26 056, cost of sales shares representing their purchase price was CZK 4 431. In connection with the sale of Partners akademie, s.r.o. the company modified the adjustment in amount of TCZK 3 200.

The registered offices of the subsidiaries are as follows:

Partners media, s.r.o. Türkova 2319/5b 149 00 Prague 4 Czech Republic	Partners investiční společnost, a.s. Türkova 2319/5b 149 00 Prague 4 Czech Republic	
Partners InIn, a.s. Türkova 2319/5b 149 00 Prague 4 Czech Republic	Partners PenIn, a.s. Türkova 2319/5b 149 00 Prague 4 Czech Republic	Simplea pojišťovna, a.s. Türkova 2319/5b 149 00 Prague 4 Czech Republic
A-WebSys, spol. s r.o. Kounicova 966/67a 602 00 Brno Czech Republic	Trigea nemovitostní fond, SICAV, a.s. Türkova 2319/5b 149 00 Prague 4 Czech Republic	
Simply Fair Insurance a.s. Libalova 2348/1 149 00 Prague 4 Czech Republic	Partners BankIn, a.s. Türkova 2319/5b 149 00 Prague 4 Czech Republic	Rentea penzijní společnost, a.s. Türkova 2319/5b 149 00 Prague 4 Czech Republic
PBK Technology, s.r.o. Türkova 2319/5b 149 00 Prague 4 Czech Republic	Partners Branka, a.s. Türkova 2319/5b 149 00 Prague 4 Czech Republic	

8. Inventories

As at 31 December 2020 inventories in stock totalled TCZK 2 964 (2019 – TCZK 1 840).

At the stocktaking held on 31 December 2020 the Company identified inventories that are on clearance sale, or that are unsaleable and will be used for promotional purposes. Accordingly, the Company established an adjustment to inventories of TCZK 856 (2019 – TCZK 761).

9. Trade receivables and payables

- (a) Short-term trade receivables total TCZK 35 445 (2019 – TCZK 47 749), of which TCZK 29 957 (2019 – TCZK 35 846) relates to receivables arising from unpaid cancellations. An adjustment of TCZK 11 439 (2019 – TCZK 17 635) was set up at 31 December 2020 for doubtful receivables.
- (b) Short-term trade payables total TCZK 79 309 (2019 – TCZK 125 628) and primarily consist of unpaid commissions as at the balance sheet date of TCZK 62 703 (2019 – TCZK 45 133). Of the total amount of short-term payables, overdue payables total TCZK 242 (2019 – TCZK 3 559).
- (c) Long-term trade payables total TCZK 63 997 (2019 – TCZK 62 644) and relate to the Company’s cancellation fund established in accordance with the accounting policy described in note 2h. The cancellation fund mainly includes advisors’ commissions that have been retained and that will be used to settle future cancellations.
None of the Company’s receivables or payables are more than five years overdue.

10. Advances paid and received

Short-term advances paid, totalling TCZK 68 457 (2019 – TCZK 50 903), predominantly consist of advances provided to advisors for future commissions of TCZK 61 607 (2019 – TCZK 46 918).

Long-term advances paid, totalling TCZK 5 926 (2019 – TCZK 5 760), represent advances for advisers and franchises from rental deposits.

Short-term advances paid, totalling TCZK 112 210 (2019 - TCZK 21 975), predominantly consist of received purchase price for the sold share in Simply Fair Insurance a.s. In 2020, purchase agreement was signed for the sale of the entire share, totalling TCZK 89 749, which was paid by the counterparty. However, the share was not transferred as at 31 December 2020 due to the approval of the transaction by the Czech National Bank. Short-term advances received primarily include advances relating to future commissions paid by business partners, amounting to TCZK 22 461 (2019 – TCZK 21 901).

Long-term advances received, totalling TCZK 36 015 (2019 – TCZK 36 297), primarily comprise payments received in connection with concluded option contracts of TCZK 31 450 (2019 – TCZK 33 525).

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(NON-CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

11. Estimated receivables and payables

Estimated receivables, totalling TCZK 50 209 (2019 – TCZK 28 782), comprise estimated revenue commissions relating to the prior period.

Estimated payables, totalling TCZK 144 532 (2019 – TCZK 64 623), primarily comprise estimated expense commissions and other fees payable to advisors relating to the current period of TCZK 116 448 (2019 – TCZK 39 604).

12. Other receivables

Other long-term receivables, totalling TCZK 89 155 (2019 – TCZK 28 334), represent a loan provided in 2020 to a related company due on 31 December 2024 with an interest rate of 3,35 % p.a. in the amount of TCZK 53 625 (2019 - 0 TCZK). Other receivables also contain long-term loans provided to the Company’s advisors and employees that are due in more than one year from the balance sheet date. In connection with the provided loan, the Company has provided loan promise due to the undrawn credit facility in the amount of TCZK 19 250.

Other short-term receivables, totalling TCZK 43 741 (2019 – TCZK 74 644), mainly include receivables from the sale of ordinary shares and short-term loans provided to the Company’s advisors and employees due within one year.

As at 31 December 2020 an adjustment of TCZK 10 479 (2019 – TCZK 11 477) was set up in respect of loans to advisors.

13. Deferrals and accruals

Prepaid expenses of TCZK 7 449 (2019 – TCZK 6 932) primarily comprise deferred costs of property insurance licences, subscription and rent paid in advance.

Accrued revenues of TCZK 173 031 (2019 – TCZK 137 962) mainly include revenue commissions arising from financial brokerage activities and collected during January of the subsequent accounting period.

Accrued expenses of TCZK 96 347 (2019 – TCZK 71 944) primarily consist of expense commissions and other fees payable to advisors of TCZK 91 995 (2019 – TCZK 66 898) and invoices received relating to the current period and paid in the subsequent period of TCZK 4 352 (2019 – TCZK 5 046).

14. Adjustments relating to operating activities

	Adjustment to inventories	Adjustment to receivables	Total
Balance at 1/1/2020	761	29 112	29 783
Additions	856	11 439	12 375
Release/utilisation	-761	-18 633	-19 394
Balance at 31/12/2020	856	21 918	22 774

15. Equity

As at the date of preparation of the financial statements, the Company’s management had not decided on the distribution of profit for 2020. During 2020, advances on profit sharing were paid in total amount of TCZK 100 000 (2019 – TCZK 28 600). In 2020 it was sold other four pieces of shares and for that reason other capital funds were disposal in the amount of TCZK 3 500.

16. Provisions

	Cancellation provision	Provision for income tax	Other provisions	Total
Balance at 1/1/2020	41 000	---	5 423	46 423
Additions	---	11 641	11 342	22 983
Release	---	---	5 423	5 423
Balance at 31/12/2020	41 000	11 641	11 342	63 983

As at 31 December 2020, a provision for income tax was in the amount of TCZK 11 641 (2019 – receivable in the amount of TCZK 10 877).

17. Bank loans

As at 31 December 2020, the Company had bank loans totalling TCZK 186 255 (2019 – TCZK 221 935). A loan with a balance of TCZK 148 755 had a fixed interest rate of 2,40 % p.a. and a maturity date of 31 March 2023. In 2020, the Company draw a new loan, which had a balance of TCZK 37 500, a fixed interest rate of 3,35 % p.a. and a maturity date of 29 December 2023. Loans due in the following 12 months had a balance of TCZK 85 680. The Company also drew a short-term overdraft of TCZK 8 127 (2019 – TCZK 67 661) that is due on 31 July 2021. The undrawn credit facility as at 31 December 2020 amounted to TCZK 71 873 (2019 – TCZK 12 339).

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(NON-CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

18. Bonds issued

In 2020, Partners Financial Services, a.s. issued bonds with a fixed income interest of 4% p.a. in accordance with Chapter V, Section 1, Paragraph 1.8 of the Union Prospectus for Growth BONDS PARTNERS 4.0/25 approved by a decision of the Czech National Bank File no. 2020/009549/CNB/570, Sp. S-Sp-2019/00080/CNB/572 from 17 January 2020, which came into legal force on 21 January 2020. Bonds were issued in the total nominal value of TCZK 143 200 and the public bond offer was terminated on 22 April 2020 in accordance with the prospectus.

The coupon is paid out once a year and the maturity date of the bonds is 22 January 2025. The bonds' interest expense totalled TCZK 5 389 as at 31 December 2020.

19. Segment information

All revenue was generated in the Czech Republic. Revenue from commissions for brokered contracts and revenue from services provided to advisors form the major part of the Company's revenue:

	2020	2019
Revenue from own products and services	1 630 456	1 356 195
Of which: Revenue from commissions	1 597 373	1 338 651
Other revenue (sale of services and materials)	33 083	17 544
Proceeds from disposals of fixed assets and materials	55 739	1 521
Other operating revenues	6 893	8 957
Of which: Contractual penalties and default interest	2 231	1 854
Re-invoicing	1 558	4 000
Other	3 104	3 103
Total operating revenue	1 693 088	1 366 673

20. Services received

Costs of services are the most significant portion of the Company's total costs. Costs of commissions paid to advisors form a major part of the total amount:

	2020	2019
Costs of commissions, bonuses and benefits	1 274 159	1 059 291
Repairs and maintenance	3 915	3 478
Advertising and marketing	21 731	16 350
Rent, including utilities	16 456	13 969
Training	3 563	16 453
Contract work	21 306	22 262
Other	46 798	36 292
Total	1 387 928	1 168 095

In 2020, the costs of research and development was in amount of TCZK 850 (2019 – MCZK 5 920).

21. Other operating expenses

Other operating expenses of TCZK 25 794 (2019 – TCZK 19 794) primarily include value added tax not applied due to a low coefficient, amounting to TCZK 11 844 (2019 – TCZK 10 187).

22. Related parties

(a) Short-term receivables and payables

Related-party receivables and payables include the following balances:

	Receivables at 31/12		Payables at 31/12	
	2020	2019	2020	2019
Partners media, s.r.o.	121	206	87	151
Partners investiční společnost, a.s.	703	413	---	---
Partners akademie, s.r.o.	---	18	---	---
Trigea Nemovitostní fond, SICAV, a.s.	700	---	---	---
Simplea pojišťovna, a.s.	20 366	5 673	20 400	---
Total	21 890	6 310	20 487	151

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(NON-CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

(b) Transactions with related parties – income and expenses

	Revenue commissions		Expense commissions	
	2020	2019	2020	2019
Partners investiční společnost, a.s.	47 324	28 110	---	---
Simplea pojišťovna, a.s.	165 272	67 251	---	---
PM Vysočany s.r.o.	---	---	---	2 797
Akcionáři společnosti Partners Financial Services, a.s.	--	---	132 330	54 570
Trigea Nemovitostní fond, SICAV, a.s.	---	673	---	---
Total	212 596	96 034	132 330	57 367

	Other revenue		Other expenses	
	2020	2019	2020	2019
Partners akademie, s.r.o.	---	143	---	979
Partners media, s.r.o.	1 111	610	1 271	512
Partners investiční společnost, a.s.	3 289	913	---	---
Partners InIn, a.s.	10	10	---	---
Partners PenIN, a.s.	10	---	---	---
Trigea Nemovitostní fond, SICAV, a.s.	10	88	---	---
Simplea pojišťovna, a.s.	59 783	3 195	---	---
A-WebSys, spol. s r.o.	---	182	604	---
PM Vysočany s.r.o.	---	46	---	---
Total	64 213	5 187	1 875	1 491

The Company purchases and provides services from/to related parties as part of its regular business activities. All material transactions with related parties were carried out based on the arm's length principle.

(c) Transactions with related parties

	Volume of mutual transactions		Receivables/Payables (-) at 31/12	
	2020	2019	2020	2019
Purchase of treasury shares	---	---	---	---
Sale of treasury shares	200	11 000	---	---
Provided loans – Controlling person	---	170 000	177 038	173 730
Mutual relations – Controlled person	---	---	5 672	4 236
Loans provided – other related parties	71 250	---	53 625	---

The provided loans represents a loan to the controlling company Brno Investment Group s.r.o. and Apana s.r.o. with a credit limit of MCZK 170, of which MCZK 85 has interest rate of 1, 95 % and MCZK 85 interest rate of 2,4 % pa, the remaining part of the receivable consists of interest in the amount of TCZK 7 038 (2019 – TCZK 3 730).

Mutual relations with the controlled company represent mainly a short-term receivable from Rentea penzijní společnost, a.s. in the amount of TCZK 4 961 (2019 - 0 CZK).

The loan provided to other related parties represents a loan from Partners Chodov Properties, s.r.o. with a credit limit of TCZK 71 250 (2019 – TCZK 0) and a fixed interest rate of 3,35 %. The balance of this loan was TCZK 53 625 as at 31 December 2020.

(d) Remuneration and loans provided to directors and supervisory board members

	Board of directors		Supervisory board	
	2020	2019	2020	2019
Number of members	6	6	2	2
Fees paid	7 869	7 172	240	240

Members of the board of directors and top management use the Company's vehicles for both business and private purposes.

(e) Income from shares

In 2020, the Company received profit shares in amount of TCZK 40 000 (2019 – TCZK 18 279) from Partners investiční společnost, a.s. In 2019, the company received profit share in amount of TCZK 10 000 from Partners investiční společnost, a.s. and TCZK 8 279 from Partners media, s.r.o.

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS
(NON-CONSOLIDATED, TRANSLATED FROM THE CZECH ORIGINAL)

23. Employees and executives

Average FTE number of employees and executives and personnel expenses for 2020 and 2019:

2020		Number	Wages and salaries	Social security and health insurance expenses	Social expenses
Employees		110	60 470	20 113	2 811
Executives		8	8 109	2 499	544
Total		118	68 578	22 612	3 354

2019		Number	Wages and salaries	Social security and health insurance expenses	Social expenses
Employees		102	61 480	20 661	3 367
Executives		6	7 412	2 142	516
Total		108	68 892	22 813	3 883

24. Social security and health insurance liabilities

Social security and health insurance liabilities total TCZK 2 370 (2019 – TCZK 2 133), of which TCZK 1 637 (2019 – TCZK 1 474) relates to social security liabilities and TCZK 733 (2019 – TCZK 659) to health insurance liabilities. None of these liabilities are overdue.

25. Tax liabilities and subsidies

Tax liabilities amount to TCZK 1 436 (2019 – TCZK 1 453) and primarily relate to employees’ personal income tax of TCZK 768 (2019 – TCZK 664) and value added tax for December of TCZK 664 (2019 – TCZK 782).

As at 31 December 2020 and 31 December 2019 the Company had no overdue tax liabilities.

26. Fees payable to statutory auditors

Fees payable to statutory auditors are included in total fees disclosed in the Company’s consolidated financial statements.

27. Income tax

(a) Current tax

Current income tax, amounting to TCZK 29 511 (2019 – TCZK 12 485), comprises the tax estimate for 2020 of TCZK 29 500 (2019 – TCZK 13 789) and a tax adjustment for 2019 of TCZK 11 (2019 – TCZK -1 304).

(b) Deferred tax

Deferred tax assets and liabilities:

	Assets		Liabilities		Net	
	2020	2019	2020	2019	2020	2019
Tangible fixed assets	---	---	-370	-1 499	-370	-1 499
Provisions	10 173	8 820	---	---	10 173	8 820
Deferred tax asset/(liability)	10 173	8 820	-370	-1 499	9 803	7 321

In accordance with the accounting policy described in note 2 (j), a tax rate of 19% (2019 – 19%) was used to calculate deferred tax.

28. Contingencies and commitments

The Company has contractual obligations related to the lease of cars under finance and operating leases. The lease transactions are described in notes 5a) and 5b) of the notes to the financial statements. The obligation not included in the balance sheet was in total amount of TCZK 7 426.

The Company committed due to an agreement on the surcharge outside the registered capital towards Rentea penzijní společnost, a.s. as at 4 August 2020 to provide a voluntary cash surcharge outside the registered capital in the total amount of TCZK 50 000. The maturity is separate into three years of launching the pension company.

29. Material subsequent events

30. On 13 January 2021, Partners, as the person offering the securities, published on its website a prospectus entitled "SHARES OF PARTNERS BANKIn, a.s." and launched a public offering of shares of this company in the zero tranche, in which it released for sale shares representing a total of 34.56875% of the share capital of Partners BankIn, a.s. According to the terms of the prospectus, the offer of shares is intended only for a selected group of persons designated by Partners, namely its financial advisors and persons directly related to them, other persons cooperating with it as self-employed persons and employees, and members of statutory and supervisory bodies of companies from the financial group Partners, i.e. retail investors. The public offer will be active until 13 January 2022. The prospectus also anticipates the first tranche, on the basis of which Partners is prepared to allocate additional shares for sale amounting to a total of 14.475% of the share capital.

In February 2021, Partners also sold a share of 50,03125 % in Partners BankIn, a.s. to Brno Investment Group s.r.o. as a qualified investor. This transaction was outside the scope of the above-mentioned prospectus.

At the beginning of 2021, Partners participated in the increase of the registered capital of Partners Branka, a.s. by committing new shares using its pre-emptive right in proportion to its current share in the registered capital.

On 31 March 2021, Partners sold their 100 % share in the subsidiary PBK Technology, s.r.o. to Partners Branka, a.s. PBK Technology, s.r.o. was established and financed from the beginning by Partners as a special purpose vehicle to carry out preparatory work for the future bank project, so its sale was a planned step.

In March 2021, a loan was repaid by Brno Investment Group, s.r.o.

Apart from the above, no other events have become known since the balance sheet date that would require an adjustment or disclosure in the financial statements.

Prepared on:	Signature of authorised representative	Person responsible for accounting (name and signature)	Person responsible for financial statements (name and signature)
14 May 2021	Petr Borkovec	Lenka Mokořová	Tatiana Purdiaková

INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF PARTNERS FINANCIAL SERVICES, A.S.



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This document is an unsigned English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Shareholders of Partners Financial Services, a.s.

Opinion

We have audited the accompanying financial statements of Partners Financial Services, a.s., ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2020, and the income statement, the statement of changes in equity and the cash flow statement for the year 2020 then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year 2020 then ended in accordance with Czech accounting legislation.

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, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations 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.

KPMG Česká republika Audit, s.r.o., a Czech limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
Recorded in the Commercial Register kept by the Municipal Court in Prague, Section C, Insert No. 24/185.
Identification No. 49619187
VAT No. CZ2595031995
ID data box: 8h3gta

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PARTNERS FINANCIAL SERVICES, A.S.



Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

The Company has not prepared an annual report as at 31 December 2020, as it includes the respective information in the consolidated annual report. Consequently, this auditor's report does not include our statement on the other information.

Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with Czech accounting legislation and for such internal control as the statutory body 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 statutory body 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 statutory body 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 the above regulations 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 regulations, 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 statutory body.
- Conclude on the appropriateness of the statutory body's 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 those charged with governance 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.

Statutory Auditor Responsible for the Engagement

Ing. Veronika Strolená is the statutory auditor responsible for the audit of the financial statements of Partners Financial Services, a.s. as at 31 December 2020, based on which this independent auditor's report has been prepared.

Prague
14 May 2021

Signed by

KPMG Česká republika Audit, s.r.o.
Registration number 71

Signed by

Ing. Veronika Strolená
Partner
Registration number 2195

19 REPORT OF THE BOARD OF DIRECTORS ON THE BUSINESS ACTIVITY OF THE COMPANY AND THE LEVEL OF ITS ASSETS FOR THE YEAR 2020

Composition of Company bodies in 2020

The following changes were made to the Board of Directors of the Company in 2020:

The term of office of all existing members of the Board of Directors of the Company, excepting Mgr. Simona Machulová, simultaneously came to an end on 1.7.2020, and therefore all relevant members of the Board of Directors were re-elected as members of the Board of Directors for a further term of office at the Company general meeting held on 16.6.2020. Following on from this, Ing. Petr Borkovec was re-elected Chair of the Board of Directors and Mgr. Ing. Lada Kičmerová and Mgr. Petr Bartoš were re-elected Vice-Chairs of the Board of Directors of the Company.

The Board of Directors of the Company sits in the following composition on the date of signing this Report:

Ing. Petr Borkovec – Chair of the Board of Directors
Mgr. Petr Bartoš – Vice-Chair of the Board of Directors
Mgr. Ing. Lada Kičmerová – Vice-Chair of the Board of Directors
Ing. Tatiana Purdiaková – Member of the Board of Directors
Gabriela Beránková Kudrnová – Member of the Board of Directors
Mgr. Simona Machulová – Member of the Board of Directors

The following changes were made to the Supervisory Board of the Company in 2020:

The term of office of all existing Members of the Supervisory Board of the Company also came to an end on 1.7.2020,

and therefore both Members of the Supervisory Board were re-elected as Members of the Supervisory Board for a further term of office at the Company general meeting held on 16.6.2020. Following on from this, Ing. Lucie Simpartlová was re-elected Chair of the Supervisory Board.

The Supervisory Board of the Company sits in the following composition on the date of signing this Report:

Ing. Lucie Simpartlová – Chair of the Supervisory Board
Radim Lukeš – Member of the Supervisory Board

Economic results at the Company for 2020

The Company showed an operating turnover of BCZK 1.630 in 2020. The economic result for the same period was a pre-tax profit of TCZK 143,081, and net profit for 2020 was CZK 116,052 thousand.

Level of assets at the Company as at 31.12.2020 (in thousands of CZK)

ASSETS	1,373,617
fixed	695,834
current	497,303
other	180,480
LIABILITIES	1,373,617

equity	422,176
debts	855,012
other	96,429
TOTAL REVENUES	1,767,219
TOTAL COSTS	1,651,167
PRE-TAX PROFIT	143,081
PROFIT AFTER TAX	116,052

Business successes at the Company in 2020

The Partners financial group achieved its highest group turnover ever in 2020. It was particularly successful in portfolio-creating product segments and franchises. A total of 94 branches of Partners Market now account for a one-third share in the turnover of the whole Company. Their output rose by 23 % year-on-year and the “franšíza servisuje” (Franchise services) regime also brought excellent results, accounting for 7 % of the turnover of the entire Company. There was a step increase in one-off investment of more than 44 %, primarily thanks to the first half of the year.

Emphasis in the past year was placed on supporting client servicing, specifically on work with the client portfolio. It was necessary to purge the database of duplicate analyses and to sort the unserved client portfolio using the internal “Skupiny” (Groups) tool in FiP. A new system to manage “orphans” was also introduced. When their advisors leave them, “orphans” are immediately provided with a new advisor, who contacts them and builds relations. The most fundamental move toward an easier and more professional approach was the launch of “Servisní analýza” (Servicing Analysis), which makes it possible for advisors to connect to internal systems and professionally present a client’s portfolio to that client. The launch of the Elon e-learning platform was also significant. Practical training in business skills, instructions on how to use consultancy tools, etc., are systematically uploaded to the platform.

Successes enjoyed by other companies within the group in 2020

Rentea pension company obtained a licence to carry out its activities at the end of 2020. The pension company will commence its activity in the first half of 2021, as soon as the participating funds have been approved. Clients can look forward

to the benefits that ensue from cooperation with the largest investment company in the world, BlackRock, and to an enhanced loyalty bonus.

Another of our projects, Trigea nemovitostní fond, SICAV, a.s., has its first year under its belt. In terms of performance, it regularly occupies the leading positions in comparison with other retail funds in the Czech Republic and ascribed its clients appreciation in value of 5.64 % last year. Simplea insurance company has also been operating for more than a year now, during which time the claims committee has dealt with 12 claims that would otherwise have been rejected because of exclusions. Insurance benefit was awarded in 11 cases, totalling more than MCZK 2. The insurance company also launched an online personal questionnaire, which has since been used by around 4,000 clients. Clients are now also able to arrange attendance allowance insurance.

New projects and changes in the stakes held by the Company in 2020

The Company entered into a subscription contract with a defined group of investors and issued bonds of a total volume of **CZK 143,200,000** in January 2020, in line with the approved **DLUHOPISY PARTNERS 4.0/25 (PARTNERS BONDS 4.0/25) bond prospectus**. The subscription period lasted 3 months. The results of the bond subscription were made public in April 2020. The first yields were paid out to bond holders in January 2021.

In January 2020, the Company also launched its **Partners PenIN options programme**, based on which it entered into options contracts with selected advisors, Company employees, and members of bodies of the companies in the group according to which those eligible can, within the given period, acquire shares in Partners PenIN, a.s., Company Number: 02054817, which together with the Company is the founder of Rentea penzijní společnost, a.s.

In May 2020, the Company sold its 35.3 % stake in **Simply Fair Insurance a.s.**, Company Number: 080 20 400, although the transaction had not been closed out according to the relevant Share Purchase Agreement by the time of compilation of this Report given that the Czech National Bank had not yet issued its consent to the acquisition of a qualified holding by the buyer.

The **2nd tranche of the Partners InIn share programme** was valued and settled in July and August 2020, when the

relevant contracts were concluded with individual advisors having satisfied the set criteria on the transfer of shares in Partners InIn, a.s., Company Number: 066 41 199, which together with the Company owns Simplea pojišťovna, a.s.

In the summer, the Company also sold its 100-% stake in **Flotila Service, s.r.o.**, Company Number: 24725285, and a 70-% stake in **PM Vysočany s.r.o.**, Company Number: 03074170.

Three new companies were founded in 2020 in connection with the planned Partners bank project: (i) **PBK Technology, s.r.o.**, Company Number: 09233971, as a servicing company for the new bank, in that this will subsequently be sold (carried out in March 2021), (ii) **Partners BankIn, a.s.**, Company Number: 09602887, which issued shares immediately after its foundation, those shares being offered by the Company to a precisely-defined group of investors according to the relevant prospectus approved by the Czech National Bank, and (iii) **Partners Branka, a.s.**, Company Number: 09727094, which lodged an application with the Czech National Bank for a banking licence immediately after its foundation and which will be renamed Partners Banka, a.s., after obtaining that licence.

Last, but not least, the Company, as an undertaking which offers securities, lodged an application with the Czech National Bank in November 2020 for approval of a prospectus entitled “AKCIE SPOLEČNOSTI Partners BankIn, a.s.” (SHARES IN THE COMPANY Partners BankIn, a.s.) (hereinafter referred to as the “**Prospectus**”). Following approval by the Czech National Bank, the Prospectus was published at the Company’s website on 13.1.2021 and a public offer of shares in Partners BankIn, a.s., (hereinafter referred to as the “**Issuer**”) was launched within the bounds of the zero tranche. Share Purchase Agreements were thereafter sent out to the group of investors specified by the Prospectus that expressed an interest, and concluded under the terms and conditions laid down in the Prospectus. A template share purchase agreement was used, when the Company was invariably the transferor and the relevant investor the transferee. Investors also entered into a template agreement on the surcharge outside the registered capital, this time with the company of the Issuer itself, also under the terms and conditions of the Prospectus. Contracts to enter into a Share Purchase Agreement were first sent out within the bounds of the first tranche in February 2021. A total share of 49.49875 % in the registered capital and voting rights of the Issuer are earmarked for investors according to the Prospectus in both tranches. In addition to this, the Company sold a portion of its shares, 50.03125 %, to Brno Investment Group s.r.o., as a qualified investor, in a transaction separate from the Prospectus,

doing so alongside the ongoing public offer in February 2021. The Company will use all the funds raised by selling shares in the Issuer to cover the costs of the subscription of shares when founding the Issuer. The Issuer will then primarily use the yield to cover the costs associated with the foundation and running of the Partners bank, as a contribution to the registered capital of the bank.

Shareholder structure of the Company in 2020

A total of three changes were made to the shareholder structure of the Company in 2020. In August 2020, the Company sold its final 4 treasury shares to the financial advisor at Partners that satisfied the criteria for the relevant career position. This new shareholder also acquired a further portion of shares in the Company from an existing shareholder, and in doing so broadened the ranks of natural-person shareholders at the Company. The final change was an increase in the stake in the registered capital and in the voting rights of the Company by the second largest shareholder – Brno Investment Group s.r.o. – from the original 35 % to 37 %.

Expected onward development of business activity at the Company in 2021

The Company plans to continue in the projects it began in the prior period, focusing on client servicing, by further development and professionalisation of the distribution network. The year 2021 should also see expansion of the Company’s activities into Slovakia and other changes within the Partners group, leading to an increase in the effectiveness and simplicity of the asset structure of the group.

Audit opinions and proposals at the Company general meeting

The Company financial statements for 2020 were compiled and verified by an auditor on 14.5.2021. According to the auditor’s report, the financial statements give a true and fair view of the assets and liabilities at the Company as at 31.12.2020 and of the costs and revenues and the result of its economic activity and cash flows for the year ending 31 December 2020 in accordance with Czech accounting regulations.

The Company also compiled consolidated financial statements for 2020 and a consolidated annual report comprising information about the consolidated whole, which in 2020 consisted of the Company and the following accounting entities: Part-

ners investiční společnost, a.s., Simplea pojišťovna, a.s., Trigea nemovitostní fond, SICAV, a.s., Partners InIn, a.s., Partners PenIn, a.s., Partners media, s.r.o., Rentea penzijní společnost, a.s., and A-WebSys, spol. s r.o. According to the auditor’s report, the consolidated financial statements give a true and fair view of the consolidated assets and liabilities at the Company as at 31.12.2020 and of the consolidated costs and revenues and the consolidated result of its economic activity and consolidated cash flows for the year ending 31 December 2020 in accordance with Czech accounting regulations.

Based on the Company financial statements for 2020, the Board of Directors of the Company approved a proposal to settle the result of economic activity at the Company for 2020 such that it shall propose that the Company general meeting approve the distribution of profit for 2020 of CZK 116,052,296.26, which shall be transferred into the retained profit prior years account, and approve a share in profit of CZK 332,000,000, whereby advances on a share in profit of CZK 128,600,000 already paid shall be settled.

This report of the Board of Directors on the business activity and level of assets at the Company Partners Financial Services, a.s., for the year 2020 was compiled for the Company general meeting which shall consider, inter alia, approval of the Company financial statements for 2020, a decision on the distribution of profit at the Company for 2020, and approval of a share in profit.

Prague, 14. 5. 2021

Ing. Petr Borkovec

Mgr. Petr Bartoš

Mgr. Ing. Lada Kičmerová

Ing. Tatiana Purdiaková

Gabriela Beránková Kudrnová

Mgr. Simona Machulová

20. REPORT ON RELATIONS TRANSACTIONS FOR THE PERIOD 1. 1. 2020 TO 31. 12. 2020

In accordance with the relevant provisions of Act No. 90/2012 Sb., on business corporations and cooperatives (Act on Business Corporations), as amended (hereinafter referred to as the “Act on Business Corporations”), the company Partners Financial Services, a.s., having its registered office at Türkova 2319/5b, Chodov, 149 00 Prague 4, Company Number: 276 99 781, entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 12158 (hereinafter referred to as the “Company” or the “Controlled Company”), is a business corporation in the position of controlled company.

In accordance with the provisions of Section 82 et seq of the Act on Business Corporations, the governing body of the controlled company is under obligation to compile a written report on related-party transactions between the controlling company and the controlled company and between the controlled company and companies controlled by the same controlling company (hereinafter referred to as the “Report on related-party transactions”) for the accounting period prior, i.e. the period from 1. 1. 2020 to 31. 12. 2020 (hereinafter referred to as the “Relevant Period”).

The Board of Directors of the Company declares that the Report on related-party transactions contains all significant, relevant transactions which occurred in the Relevant Period and the required information which is significant for the purposes of the Report on related-party transactions.

Structure of relations between the controlling company and the controlled company and between the controlled company and companies controlled by the

same controlling company (hereinafter referred to as the “Related Parties”)

Controlled company

The controlled company is the company **Partners Financial Services, a.s.**, having its registered office at Türkova 2319/5b, Chodov, 149 00 Prague 4, Company Number: 276 99,781, entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 12158.

Controlling company

The majority shareholders in the Company, or persons acting in concert, and therefore the controlling companies of the Company are the company **Apana s.r.o.** having its registered office at Türkova 2319/5b, Chodov, 149 00 Prague 4, Company Number: 028 79 107, entered in the Commercial Register maintained at the Metropolitan Court in Prague, files 224876 (hereinafter referred to as “**Apana**”), having a stake in the registered capital and in the voting rights in the Company of 50%, the company **Brno Investment Group s.r.o.**, having its registered office at Březina 103, 666 01, Company Number: 291 94 636, entered in the Commercial Register maintained at the Regional Court in Brno, file 64733 (hereinafter referred to as “**Brno Investment Group**”), having a stake in the registered capital and in the voting rights in the Company of 37%, and the company **EDEN Partners, a.s.**, having its registered office at Türkova 2319/5b, Chodov, 149 00 Prague 4, Company Number: 028 87 835, entered in the Commercial Register maintained at the Metropolitan Court in Prague, file B 19713 (hereinafter referred to as “**EDEN**”), having a stake in the registered capital and in the voting rights in the Company of 5.45%. Apana, Brno Investment Group, and EDEN exert a direct and decisive influence on the Company.

The single member and sole managing director of Apana is **Radim Lukeš**, date of birth 13 May 1972, having his place of residence at Čilova 275/15, 162 00 Prague 6.

The single member and sole managing director of Brno Investment Group is Ing. Petr Borkovec, date of birth 1 July 1977, having his place of residence at Krasová 600/12, 614 00 Brno – Maloměřice.

EDEN is owned by **Radim Lukeš** and **Ing. Petr Borkovec** (each having a stake in the registered capital and voting rights of 50 %).

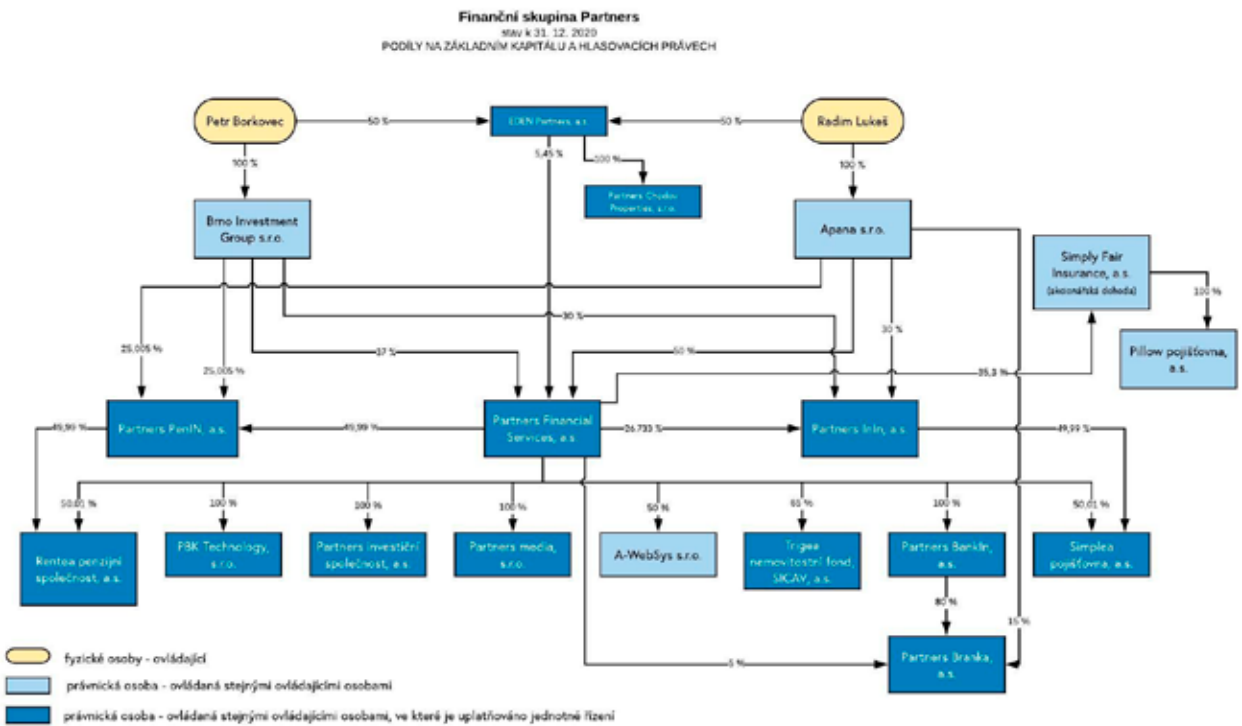
Radim Lukeš and Ing. Petr Borkovec are persons exerting an indirect decisive influence on the Company, through Apana, Brno Investment Group, and EDEN.

(hereinafter referred to as the “**Controlling Company**” or “**Controlling Companies**”)

The Company compiled a consolidated annual report, in that the following companies are part of the consolidated whole of the Company for 2020:

- Partners investiční společnost, a.s.
- Simplea pojišťovna, a.s.
- Trigea nemovitostní fond, SICAV, a.s.
- Partners InIn, a.s.
- Partners PenIn, a.s.
- Partners media, s.r.o.
- Rentea penzijní společnost, a.s.
- A-WebSys, spol. s r.o.

Structure of relations within the Partners financial group as at 31.12.2020



The asset structure of the Company and the structure of relations with Related Parties ensues from the chart presented in the annex to this Report on relations.

The Company held, until 5.6.2020, a stake of 100 % in the registered capital of the company **Flotila Service, s.r.o.**, having its registered office at Türkova 2319/5b, Chodov, 149 00 Prague 4, Company Number: 24725285, entered in the Commercial Register maintained at the Metropolitan Court in Prague, file C 169080.

The Company also held, until 28.8.2020, a stake of 70 % in the registered capital of the company **PM Vysočany s.r.o.**, having its registered office at Sokolovská 979/209, 190 00 Prague 9 - Vysočany, Company Number: 03074170, entered in the Commercial Register maintained at the Metropolitan Court in Prague, file C 227215.

The board of directors of the Company declares that relations existed between the Company and the following Related Parties during the Relevant Period:

- Radim Lukeš
- Ing. Petr Borkovec
- Apana s.r.o.
- Brno Investment Group s.r.o.
- Partners investiční společnost, a.s.
- Flotila Service, s.r.o.
- Partners media, s.r.o.
- Partners Inln, a.s.
- PM Vysočany s.r.o.
- Partners Financial Services Polska S.A.
- EDEN Partners, a.s.
- A-WebSys, spol. s r.o.
- Kukin s.r.o.
- Element Properties s.r.o.
- Simplea pojišťovna, a.s.
- Trigea nemovitostní fond, SICAV, a.s.
- Partners PenIN, a.s.
- Partners Chodov Properties, s.r.o.
- Simply Fair Insurance a.s.
- MY FOOD WHOLESALERS s.r.o.
- CAR CONSULTING GROUP, s.r.o.
- Rentea penzijní společnost, a.s.
- Ing. Tomáš Trčka
- PBK Technology, s.r.o.
- Partners Bankln, a.s.

- Partners Branka, a.s.

Role of the Controlled Company in the business grouping

The role of the Controlled company is primarily to provide quality services in the intermediation of financial products and effective satisfaction of customer demands in the execution of the activities of the Company, such as investment intermediary, independent intermediary according to the Act on the Distribution of Insurance and Reinsurance, independent intermediary of consumer loans, independent intermediary according to the Act on Supplementary Pension Plans, and other unqualified (notifiable) trades in accordance with the Register of Trades.

Manner and means of control

The Controlling Companies Apana, Brno Investment Group, and EDEN controlled the Company by holding shares in it during the Relevant Period corresponding to a stake of an overall size of 92.45 % in the voting rights in the Company. The Controlling Companies expressed their will at the Company general meeting by exercising their shareholder rights. The Company general meeting is quorate when shareholders are in attendance having shares whose par value exceeds 60 % of the registered capital. The general meeting takes decisions with a minimum two-thirds majority of the votes of the shareholders in attendance.

Moreover, Ing. Petr Borkovec, as the single member in Brno Investment Group, discharges the function of Chair of the Board of Directors of the Company and Radim Lukeš, as the single member in Apana, discharges the function of member of the supervisory board of the Company.

Overview of reciprocal contracts between Related Parties effective during the Relevant Period

Contracts entered into between the Company and Partners investiční společnost, a.s.

- Contract of Agency of 26.4.2011, as amended by subsequent addenda
- Contract on entrusting certain activities associated with execution of the activity of portfolio management, the management and administration of collective investment funds of 1. 7. 2016, as amended by subsequent addenda
- (Interest-free) Loan Contract of 2. 1. 2020
- (Interest-free) Loan Contract of 27. 1. 2020
- Sublease Contract of 28.1.2020, as amended by subsequent addenda

Contracts entered into between the Company and Simplea pojišťovna, a.s.

- Agreement on the surcharge outside the registered capital of 19. 12. 2017, as amended by subsequent addenda
- Contract on the execution of intermediary activities in insurance of 2. 7. 2019
- Agreement on the production bonus of 6. 8. 2019
- Sublease Contract of 30. 12. 2019
- Service Level Agreement of 30. 12. 2019
- Contract of personal data processing of 30. 12. 2019
- Agreement on the assignment of an agreement to enter into a licencing contract of 4. 2019 (tripartite agreement - the third party is Tools4F, s.r.o., Company Number: 288 268 09)
- Contract on the assignment of rights to a computer program of 31. 7. 2020

Contracts entered into between the Company and Trigea nemovitostní fond, SICAV, a.s.

- (Interest-free) Loan Contract of 23. 4. 2019
- (Interest-free) Loan Contract of 22. 10. 2019
- Sublease Contract of 1. 4. 2019
- Agreement on the surcharge outside the registered capital to increase equity of 2. 12. 2020

Contracts entered into between the Company and Partners Inln, a.s.

- Agreement on the surcharge outside the registered capital of 19. 12. 2017
- Sublease Contract of 1. 1. 2018

Contracts entered into between the Company and Partners PenIN, a.s.

- Agreement on the surcharge outside the registered capital of 3. 12. 2019
- Sublease Contract of 1. 12. 2019

Contracts entered into between the Company and Partners media, s.r.o.

- Sublease Contract of 1. 10. 2019, as amended by subsequent addenda
- (Interest-free) Loan Contract of 16. 3. 2020
- Service Level Agreement of 15. 9. 2020, as amended by subsequent addenda
- Contract of personal data processing of 15. 9. 2020

Contracts entered into between the Company and Rentea penzijní společnost, a.s.

- Agreement on the surcharge outside the registered capital of 4. 8. 2020
- Sublease Contract of 30. 12. 2020
- Service Level Agreement of 30. 12. 2020
- Contract of personal data processing of 30. 12. 2020

Contracts entered into between the Company and A-WebSys, spol. s r. o.

- Contract of personal data processing and confidentiality of 1. 7. 2014, as amended by subsequent addenda
- Contract of the use of a passenger car of 7. 11. 2017
- Contract for work and licencing contract of 29. 5. 2018
- Servicing Contract of 1. 4. 2019
- Servicing Contract of 1. 4. 2020

Contracts entered into between the Company and other Related Parties

- Contract on the discharge of the function of member of the supervisory board with Radim Lukeš of 20. 12. 2013, as amended by all subsequent addenda
- Share Purchase Agreement with Radim Lukeš of 19. 5. 2020
- Contract on the discharge of the function of member of the board of directors with Ing. Petr Borkovec of 28. 5. 2014, as amended by all subsequent addenda
- Agency Contract with Brno Investment Group s.r.o. of 24. 2. 2014

- Agency Contract with Apana s.r.o. of 30. 7. 2014
- Sublease Contract with Kukin s.r.o. of 1. 7. 2016, as amended by all subsequent addenda
- Sublease Contract with Element Properties s.r.o. of 1. 1. 2015, as amended by all subsequent addenda
- Contract of the use of a passenger car with Partners Financial Services Polska, S.A. of 20. 10. 2017
- Contract of the use of a passenger car with Partners Financial Services Polska, S.A. of 15. 11. 2017
- Sublease Contract with EDEN Partners, a.s. of 1. 1. 2018
- Agreement on the method of payment of the purchase price of shares with EDEN Partners, a.s. of 22. 5. 2018
- Loan Contract with Apana s.r.o. of 1. 2. 2018
- Loan Contract with Brno Investment Group s.r.o. of 1. 2. 2018
- Loan Contract with Apana s.r.o. of 25. 6. 2019
- Loan Contract with Brno Investment Group s.r.o. of 25. 6. 2019
- Sublease Contract with Partners Chodov Properties, s.r.o. of 1. 11. 2019
- Loan Contract with Partners Chodov Properties, s.r.o. of 7. 1. 2020, as amended by all addenda
- Contract on an escrow account entered into between the Company and the companies Partners Chodov Properties, s.r.o., UniCredit Bank Czech Republic and Slovakia, a.s., and Skanska Reality a.s. of 10. 1. 2020
- Contract on the establishment of security interest in immovable property between the Company and the companies Partners Chodov Properties, s.r.o., and UniCredit Bank Czech Republic and Slovakia, a.s., of 15. 1. 2020
- Agreement on the surcharge outside the registered capital with Simply Fair Insurance a.s. of 1. 4. 2019
- Agreement on the surcharge outside the registered capital with Simply Fair Insurance a.s. of 8. 10. 2019
- Agreement on the surcharge outside the registered capital with Simply Fair Insurance a.s. of 30. 10. 2019
- Agreement on the surcharge outside the registered capital with Simply Fair Insurance a.s. of 29. 9. 2020
- Sublease Contract with MY FOOD WHOLESale, s.r.o., of 1. 8. 2019
- Sublease Contract with CAR CONSULTING GROUP, s.r.o., of 1. 9. 2019
- Contract on the sublease of non-residential space with Flotila Service, s.r.o., of 1. 1. 2015, as amended by all subsequent addenda (terminated 1. 6. 2020)
- Loan Contract with Flotila Service, s.r.o., of 9. 4. 2019
- Loan Contract with Flotila Service, s.r.o., of 10. 9. 2019

- Service Level Agreement with Flotila Service, s.r.o., of 26. 5. 2020
- Sublease Contract with Flotila Service, s.r.o., of 26. 5. 2020
- Cooperation Contract with PM Vysočany s.r.o. of 23. 6. 2014, as amended by all subsequent addenda
- Loan Contract with PM Vysočany s.r.o. of 28. 5. 2018
- Agreement on the surcharge outside the registered capital with PM Vysočany s.r.o. of 29. 5. 2018
- Loan Contract with PM Vysočany s.r.o. of 5. 2. 2019
- Loan Contract with Ing. Tomáš Trčka of 24. 11. 2020
- Security Agreement with Ing. Tomáš Trčka of 25. 11. 2020
- Sublease Contract with Partners BankIn, a.s., of 14. 10. 2020
- Sublease Contract with PBK Technology, s.r.o., of 10. 6. 2020
- Service Level Agreement with PBK Technology, s.r.o., of 10. 6. 2020
- Contract of personal data processing with PBK Technology, s.r.o., of 10. 6. 2020
- Agreement on the surcharge outside the registered capital with PBK Technology, s.r.o., of 23. 6. 2020
- Shareholders agreement entered into between the Company and Partners BankIn, a.s., Apana s.r.o., and Partners Branka, a.s., of 14. 12. 2020

Overview of action taken during the Relevant Period at the instigation or in the interest of the Controlling Company or the companies which it controls

The following action was taken during the Relevant Period at the instigation or in the interest of the Controlling Company or the companies which it controls as concerns property which exceeds 10 % of the equity of the Company, ascertained according to the most recent financial statements:

The Company provided Apana s.r.o. with performance for the provision of services in the intermediation of insurance, loans, and investment intermediation paid pursuant to the Agency Contract of 30.7.2014 amounting to TCZK 66,987. The Company provided performance of a similar nature to Brno Investment Group s.r.o. pursuant to an Agency Contract of 24.2.2014 amounting to TCZK 61,635.

Interest on loans provided to Apana s.r.o. amounted to TCZK 2,181 in 2020.

Interest on loans provided to Brno Investment Group s.r.o. amounted to TCZK 1,527 in 2020.

The Company received performance from Simplea pojišťovna, a.s., during the Relevant Period pursuant to the contract on the execution of intermediary activities in insurance of 2.7.2019 amounting to TCZK 151,265 and performance pursuant to the contract on the assignment of rights to a computer program of 31.7.2020 of TCZK 54,600.

The Company received performance from Partners investiční společnost, a.s., during the Relevant Period pursuant to the agency agreement of 26.4.2011 amounting to TCZK 47,324.

The Company waived the debt of the company Flotila Service, s.r.o., of TCZK 2,079 on 26.5.2020.

Evaluation of whether the Controlled Company incurred loss

The board of directors of the Company declares that it is of the view that the Company sustained no loss from the contracts and/or other relationships specified above.

Evaluation of the advantages and disadvantages ensuing from reciprocal relations between Related Parties and whether advantages or disadvantages prevail and which risks ensue from this for the Controlled Company

Reciprocal relations between the Company and the Controlling Companies can be evaluated as being advantageous for the Company. The Company is unaware of any disadvantages arising from cooperation with the Controlling Companies or with other Related Parties.

The Company is currently unaware of any risks which would arise in consequence of reciprocal relations between it and Related Parties.

Conclusion

The board of directors of the Company declares that all performance and consideration between the Company and Related Parties was provided within the bounds of normal commercial relations, or under normal commercial conditions.

The board of directors of the Company concurrently declares that the Report on related-party transactions was compiled according to the information available to the board of directors, as acting with due diligence, within the statutory time limit in accordance with the Act on Business Corporations, and that the scope of the Report on relations reflects the purpose of statutory regulation in relation to the Company's asset structure.

Prague, 30. 3. 2021



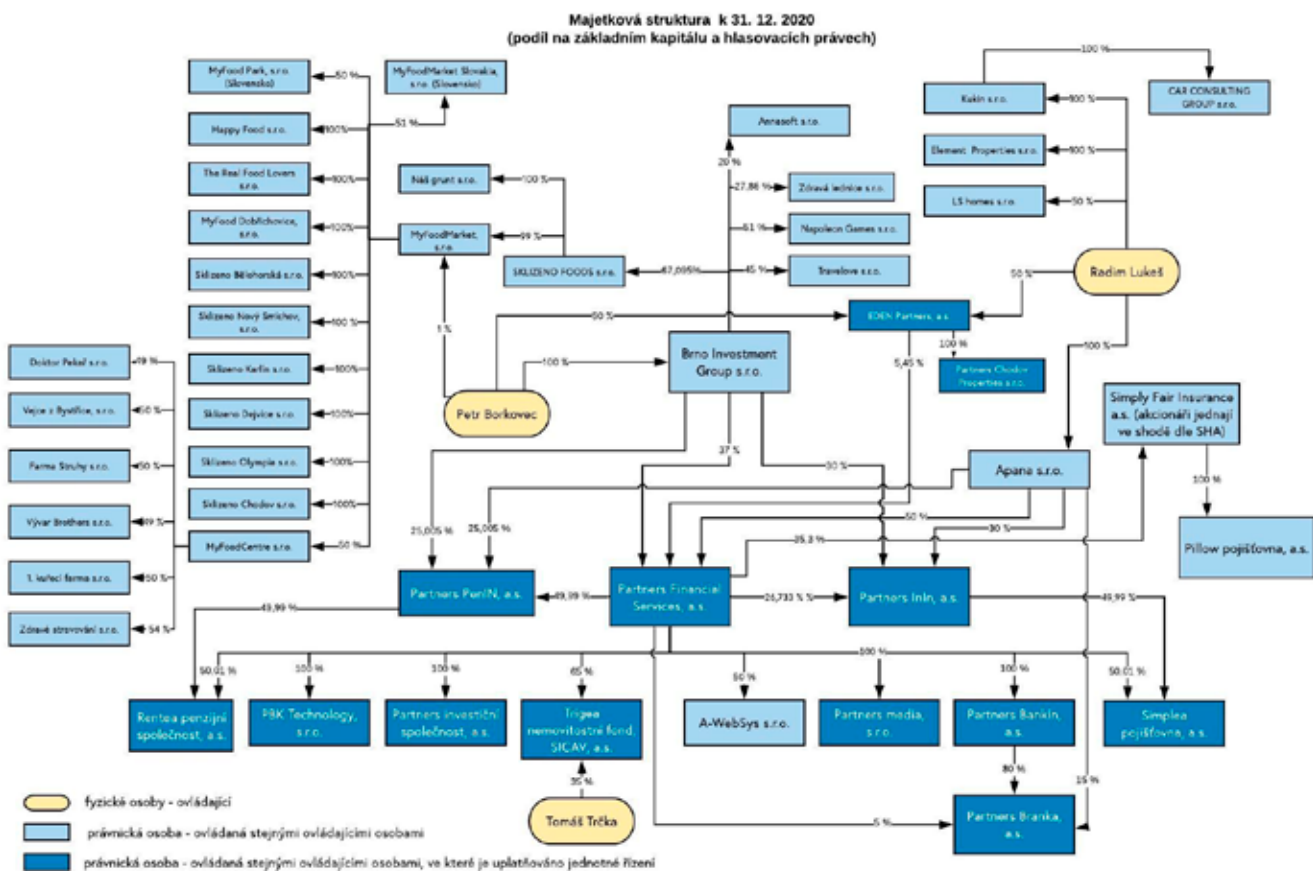
Ing. Petr Borkovec

Chair of the Board of Directors
Partners Financial Services, a.s.

Annex: Asset structure of relations for the purposes of the Report on relations

ANNEX

Asset structure of relations for the purposes of the Report on related-party transactions



Reports on the relations of other companies which are part of the Partners financial group are published

in the collection of instruments of the Commercial Register. The annual report for Partners investiční společnost, a.s., for the year 2020 can be downloaded at www.partnersis.cz.

The annual report for Trigea nemovitostní fond, SICAV, a.s., for the year 2020 can be downloaded at www.trigea.cz.

The annual report for Simplea pojišťovna, a .s., for the year 2020 can be downloaded at www.simplea.cz.

The other companies in the Partners financial group do not by law compile an annual report.





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