

Opening remarks by the Director

Dear colleagues, business partners,

I would like to present to you the Annual Report of Zaplo Finance s.r.o. for 2020.

In 2020, the Czech economy was fundamentally affected by the pandemic of a new type of coronavirus. The measures taken to prevent the spread of the disease caused an exceptionally deep recession in the first half of 2020. In general, 2020 was therefore a year of economic and business uncertainty for the Czech economy, and not only for it, when almost all sectors of the economy were essentially paralyzed at the end of the first quarter by the onset and subsequent global uncontrolled spread of the COVID-19 infection.

The second quarter of 2020 was marked by the gradual shutdown of a larger part of the Czech Republic's economy, which also, quite logically, had a negative impact on the financial results of our Company. We experienced up to a 30% decrease in sales of our short-term product in April and May, while sales of our long-term, installment product, including our off-line sales channel, almost stopped in those months. During the third quarter marked by a partial loosening, we could see an improvement in sales results. Unfortunately, this was subsequently ended by the second wave of the pandemic.

The fight against the pandemic was an unplanned challenge, but we as a company managed it very well. Already at the beginning of the crisis in March 2020, we moved 100% of our employees to the "work-from-home" mode with the aim of protecting the health of all our employees as much as possible. I am also pleased to report that the entire organizational change has taken place without any deterioration in any of the indicators of operational efficiency.

Zaplo also fully joined the voluntary activity of banks and some non-banking companies aimed at relieving the short-term loss of income of clients by means of free installment deferrals. Throughout the period, the Company also actively cooperated with the Ministry of Finance of the Czech Republic,

thus supporting all activities aimed at protecting consumers by joining a joint memorandum aimed at socially responsible behaviour and the following principles of approach to clients, while solving the difficult financial situation associated with the COVID-19 epidemic. Our Company then confirmed our long-term friendly approach to clients by extending this memorandum at least until the end of June 2021.

The decline in economic performance in 2020 by 5.6% had a very significant effect on the overall consumption, and also had a very significant impact on the decrease in our Company's sales in 2020, when the Company's total sales fell by 16.8% compared to 2019. Demand for our long-term product even fell by more than 57% year-on-year. This decrease in sales was necessarily reflected in the level of revenues which fell by almost 10% year-on-year. The Company's overall economic result was significantly affected by the decline in the portfolio, and subsequently by the dissolution of reserves for bad debts which decreased by CZK 34,6 m (36%) year-on-year.

As part of the restructuring and leaning of the Group structure, an important decision was made at the end of 2020, when, with effect from 1 April 2021, Zaplo Finance s.r.o. acquired the property structure of the 4 Finance IT – CZ spin-off plant through a contribution. With this transaction, the registered capital of Zaplo Finance s.r.o. was also increased by CZK 84,4 m. I believe that this move will not only streamline the development phase of our internal and external applications, but also lead to overall cost savings that will lead to better financial results in future periods.

2020 was certainly a big challenge for all of us. Therefore, I would like to thank both our clients who have remained loyal to us even in that difficult time, and especially all the employees who take care of our clients every day and try to help them as much as possible in the current situation. In this way, they make a good name of the Zaplo brand and, quite appropriately, they deserve my big thanks.

At this moment, it is difficult to estimate the future development of the entire Czech economy. But I am a moderate optimist and believe that in the second half of 2021 there will be a revival of the economic activity which should be reflected in a slight growth of the GDP and consumption. In my opinion, the most important thing is to return to normal life as we were used to it before the pandemic. I am proud of the way Zaplo Finance s.r.o. responded to the entire exceptional year of 2020, and I am convinced that we as a company came out more experienced, more efficient and a little stronger once again.



Dušan Raška
Managing Director

Characteristics of Zaplo Finance s.r.o.

Formation of the company:

Zaplo Finance s.r.o. („company”) was incorporated on 25 January 2013.

Subject of business:

The subject of the company's business is:

- Providing or arranging consumer credit,
- Production, trade and services not specified in annexes 1 to 3 of the trade licensing act.

Shareholders of the Company as at 31 December 2020:

- AS "4finance", Republic of Latvia 100%

Company registered office:

Mayhouse Office, 5. května 1746/22

Nusle, 140 00 Praha 4

ID: 294 13 575

Entry in the Commercial Register:

registered at the Municipal Court in Prague, Section C, Insert 205150

Statutory body as at 31 December 2020:

Ing. Dušan Raška MBA, Managing Director

Supervisory Board as at 31 December 2020:

Paul Andrew Goldfinch

Ewelina Beata Makowska

Marek Kujawa

Report on Business Activity

Human Resources

The total number of employees of the Company was 70 employees as of 31/12/2020 (2019 – 78). From the point of view of the type of employer-employee relationship, as of that date there were 70 employees with an employment contract and 4 employees with agreements to perform work under a contract other than employment contract. The number of employees did not change significantly year-on-year (2020 - 70, 2019 - 78).

The main and long-term goal of the Company is to develop the skills of its employees and focus on increasing the qualifications, skills and knowledge of all employees at all levels of the Company. The Company primarily focuses on increasing professional skills thanks to internal and external trainings arranged for the employees. The education provides the employees with such an amount of theoretical knowledge and practical skills that they can use them professionally later in their career. The trainings are focused on a whole range of key competences that can be applied even outside the framework required to perform a certain position, such as active listening, questioning, self-knowledge, providing feedback and psychological reasoning in general. The Company also focuses on skills in motivation and values. Self-development of employees is perceived as a necessary part of the entire education.

Another goal of the company is to enable employees to grow internally. An integral part of the development programme is the succession programme, which conceptually allows for internal transfers and promotions, both to specialist, junior and senior positions.

Organisational unit abroad

The company has no branch abroad.

Research and development activities

The Company did not incur any costs for research and development activities in 2020.

Environmental and labour relations activities

The company complies with all legal regulations in the field of environmental protection and labour relations.

Report on the acquisition of own shares or treasury shares

The Company has not acquired any of its own shares or interests.

Report on Facts that Occurred after the Balance Sheet Date

In connection with the global spread of the COVID19 virus, a state of emergency was declared in the Czech Republic on March 12, 2020, and a number of restrictive measures were taken. A government decree made it possible to postpone installments by 3 to 6 months for consumer loans granted until 26/03/2020, valid only if clients requested a postponement. At this moment, we can evaluate the overall impact of these deferred installments which has a certain effect on the enforceability of the deferred installments. This amount is reported in the category of adjustments which reflect the overall riskiness of the portfolio. Given that the Company's value of adjustments does not differ significantly compared to last year, it can be stated that the impact is not relevant in the context of the assessment of the Financial Statements. The result of the economic situation within the global pandemic is mainly reflected in the revenues which decreased by 9.76% compared to last year. Since 2021 continues to be affected by this situation, even though gradual loosening can be expected from the second half of 2021, a similar impact on the Company's revenues and financial results can be estimated for 2021.

As part of the restructuring of the Group, an important decision was made when Zaplo Finance s.r.o. acquired the asset structure of the SIA 4finance IT – CZ spin-off plant through a contribution with legal effect as of April 1, 2021. Since that date, the Company has expanded its business activities to include

IT development. Based on an expert opinion, the capital was increased by CZK 84,425 million.

As of the date of the financial statements, management is not aware of any other material subsequent events that would affect the financial statements as of December 31, 2020.

Declaration of Honour

Zaplo finance s.r.o. declares that all information and data given in this annual report corresponds to the facts and no material circumstances have been omitted.

Prague, 25th May 2021



Ing. Dušan Raška MBA
jednatel

1. General information about the entity

The business name of the entity:	Zaplo Finance s.r.o.
Legal form:	Společnost s ručením omezeným
Identification number:	294 13 575
Company registered office:	Mayhouse Office, 5. května 1746/22, Nusle, 140 00 Praha 4

Establishment and entry in the Commercial Register:

The entity was established by registration in the Commercial Register on 25 January 2013, maintained by the Municipal Court in Prague under Section C, Insert 205150.

Subject of business:

The object of the company's business is:

- providing or arranging consumer credit,
- production, trade and services not specified in annexes 1 to 3 of the trade licensing act.

Persons holding 20 per cent or more of the share capital on 31 December 2020:

- | | |
|-------------------------------------|------|
| • AS "4finance", Republic of Latvia | 100% |
|-------------------------------------|------|

Statutory body as at 31 December 2020:

Ing. Dušan Raška, MBA , Managing Director of the company

Dozorčí rada k 31. prosinci 2020:

Paul Andrew Goldfinch
Ewelina Beata Makowska
Marek Kujawa

Changes and impacts entered in the Commercial Register in the 2020 accounting period:

During 2020, the following changes were made in the Commercial Register:

- Change of Managing Director – on May 15, 2020, Ing. Vít Růžička was removed from his position. Mr Martin Muranský and Mr Dušan Raška became the new Managing Directors. At the end of the year, on November 1, 2020, Martin Muranský was removed from the position of the Managing Director. As of December 31, 2020, the Company has the only Managing Director - Mr Dušan Raška.

These changes were entered in the Commercial Register at the date of the Financial Statements.

Other significant changes for the Company in 2020:

There were no significant changes during the 2020 accounting period.

Organizational structure of the company as of 31. 12. 2020:

1. Significant accounting policies used by the Company

The company's accounting is maintained and the financial statements have been prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended, Decree No. 500/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting, for accounting units that are entrepreneurs accounting in the double-entry bookkeeping system, as amended, and the Czech Accounting Standards for Entrepreneurs, as amended. The accounting system respects the general accounting principles, in particular the principle of valuation of assets at historical cost (unless otherwise stated below), the principle of accounting in a material and temporal relationship, the principle of prudence and the assumption of the entity's ability to continue as a going concern.

Tangible and intangible fixed assets

Tangible and intangible fixed assets are recorded at cost, which includes the acquisition price (including duties and taxes), transport costs and other acquisition-related costs. The Company accounts for tangible and intangible fixed assets in property accounts. Tangible assets include items that represent separate movable assets with a valuation of CZK 40,000 or more and a useful life of more than one year, and intangible assets include items that represent separate intangible assets with a valuation of CZK 60,000 or more and an operational and technical function of more than one year. The following table shows the depreciation periods by asset group:

Assets	Amortisation period
Other property and equipment	5 years
Computing resources	3 years
Mobile phones	2 years
Establishment expenses	60 months
Software and other intangible assets	36 months
Audiovisual works	18 months

Transient impairment of intangible and tangible fixed assets is taken into account by making provisions which, together with depreciation, are shown in the adjustment column of the balance sheet.

Depreciating:

Tangible and intangible fixed assets are depreciated on the basis of cost and estimated useful life - see table - on a straight-line monthly basis, with the first depreciation being applied in the month following the date of entry into use.

Stocks

The Company does not account for inventories. All purchases are in the nature of consumables, which are expensed directly at the time of acquisition.

Determination of valuation allowances and provisions

Tangible fixed assets

As a precautionary measure, allowances are made for tangible fixed assets only when there is a material impairment of the asset.

Receivables

The Company establishes an allowance for doubtful accounts based on its own analysis of the solvency of its customers and the age structure of the receivables

Foreign currency conversions

The Company uses the CNB daily exchange rate for foreign currency transactions. During the year, the Company accounts only for realised foreign exchange gains and losses. Assets and liabilities denominated in foreign currency are translated at the foreign exchange market rate announced by the CNB on the last day of each month. Unrealised foreign exchange gains and losses are recognised in profit or loss.

Research and development

The Company does not incur research and development costs.

Leased property

The Company accounts for leased assets by expensing lease payments on a straight-line basis over the term of the lease.

Corporate income tax

Income tax for the period consists of tax payable and the change in the deferred tax position.

Current tax comprises an estimate of tax calculated on the tax base using the tax rate applicable on the first day of the accounting period and any prior period surcharges and refunds.

In the balance sheet, the provision for income tax, if any, is reduced by income tax advances paid and the resulting receivable, if any, is recognised under State-tax receivable.

Deferred tax is based on any temporary differences between the carrying amount and the tax base of assets and liabilities, or other temporary differences (tax losses), using the expected tax rate applicable to the period in which the tax liability or receivable will be incurred.

A deferred tax asset is accounted for only when it is probable that it will be utilised in subsequent accounting periods.

Classification of liabilities

Liabilities are carried at their nominal value.

Receivables

Receivables are carried at their nominal value. Temporary impairment of doubtful debts is accounted for by making an allowance charged to expense, which is shown in the balance sheet in the allowance column.

Cost and revenue accounting

Costs and income are accrued, i.e. to the period to which they relate both in time and in substance.

In accordance with the precautionary principle, the Company charges provisions and allowances to cover all known risks, losses and impairments at the date of the financial statements.

Change in accounting methods

There was no change in accounting methods during the financial year.

2. Additional Information to the Balance Sheet

Fixed Assets

The Company does not report any fixed assets generated by its own activities as of the Balance Sheet date.

Intangible Fixed Assets

	Formation expenses	Software	Other intangible fixed assets	Intangible fixed assets under construction	Total
Acquisition cost					
Balance as of 1/1/2020	344	79,917	12,406	20,538	113,205
Additions	0	11,190	5,282	23,620	40,092
Disposals	0	0	0	-23,915	-23,915
Balance as of 31/12/2020	344	91,107	17,688	20,243	129,382
Accumulated depreciation					
Balance as of 1/1/2020	344	31,327	12,406	--	44,077
Depreciation	0	26,284	1,180	--	27,464
Adjustments to disposals	0	0	0	--	0
Balance as of 31/12/2020	344	57,611	13,586	--	71,541
Net book value 31/12/2020	0	33,496	4,102	20,243	57,841

Tangible Fixed Assets

	Computers	Other tangible assets	Total
Acquisition Cost			
Balance as of 1/1/2020	6,140	2,528	8,668
Additions	0	0	0
Disposals	164	0	164
Balance as of 31/12/2020	5,976	2,528	8,504
Accumulated depreciation			
Balance as of 1/1/2020	5,996	2,031	8,027
Depreciation	84	208	292
Adjustments to disposals	164	0	164
Balance as of 31/12/2020	5,916	2,239	8,483
Net book value 31/12/2020	60	289	349

Leased asset

Operating lease

The Company has only one operating lease under which it leases a passenger car. Contract No. 140094263 was entered into in 3/2019 for a period of 36 months.

In 2020, the costs related to the operating lease amounted to CZK 537 thousand, in comparison with the previous year (2019 - CZK 596 thousand) they are comparable.

Long-term lease

The Company has entered into two contracts based on long-term contractual rent:

1. Offices for running the business in the Mayhouse building - for a definite period of time from May 2019 to the end of March 2024.
2. Offices for the purposes of a contingency backup workplace - definite period of time from October 2019 to October 2022.

<i>Rent</i>	<i>2020</i>	<i>2019</i>
Mayhouse - new office space	5,232	2,947
Contingency backup workplace	307	47
Jankovcova - old office space	0	1,249
Total rent in thousand CZK	5,539	4,243

Trade receivables and trade payables

Trade receivables amounted to CZK 416,124 thousand in 2020. The majority of which consists of receivables from loans granted in the amount of CZK 415,785 thousand. As of the date of the Financial Statements, the Company reports the status of short-term loans granted with a maturity of up to one month (CZK 293,794 thousand) and loans granted on the basis of a repayment schedule (CZK 121,992 thousand). Compared to last year 2019 – CZK 469,114 thousand, it can be stated that the amount of

receivables decreased slightly due to less interest of clients in loans as a result of the global impact of the coronavirus pandemic.

Time structure of receivables from loans granted in 2020 and 2019

	2020		2019	
Due	Total	246,633	Total	259,508
	Of which over 365 days	45,492	Of which over 365 days	80,578
	Of which within 365 days	0	Of which within 365 days	178,930
Overdue Of which	Total	169,152	Total	209,515
	I-30	45,337	I-30	54,907
	31-60	29,542	31-60	23,905
	61-90	11,856	61-90	20,285
	91-360	71,306	91-360	102,792
	361-365	11,111	361-365	7,626
Total		415,785		469,023

The remaining part of CZK 339 thousand (2019 - CZK 91 thousand) is made up of other receivables which are all within the due date.

The **adjustment to doubtful receivables** amounted to CZK 97,389 thousand (2019 – CZK 132,017 thousand) as of December 31, 2020. The decrease compared to last year is due to a reduction in the volume of the portfolio, which has been affected by the demand for products which was significantly suppressed with the onset of the Covid pandemic.

Adjustments to receivables

	Adjustment to receivables
Balance 31/12/2019	132,017
Provisioning charge 2020	87,373
Release 2020	-122,001
Balance 31/12/2020	97,389

Short-term trade payables amounted to CZK 10,678 thousand (2019 – CZK 16,942 thousand). As of 12/31/2020, the Company does not report any liabilities overdue for more than 365 days.

Time structure of short-term liabilities 2020-2019

	2020	2019
Due	10,370	16,705
<i>Outside the Group</i>	4,365	6,536
<i>Group</i>	6,005	10,169
1-60 days after the due date	308	237
<i>Outside the Group</i>	308	237
<i>Group</i>	-	-
61-180 days after the due date	0	0
<i>Outside the Group</i>	-	-
<i>Group</i>	-	-
181-365 days after the due date	0	0
<i>Outside the Group</i>	-	-
<i>Group</i>	-	-
More than 365 days after the due date	0	0
Total	10,678	16,942

Related Party Transactions

The Company uses services from related parties in the ordinary course of business. All significant related party transactions were carried out under the normal market conditions.

In 2015, a contract for the provision of a long-term loan with a maximum limit of EUR 30,000 thousand was entered into with 4finance S.A. The loan bears interest at a fixed interest rate based on the contractual terms and conditions with a maturity date of March 22, 2022. As of the date of the Financial

Statements, the Company reports a liability from a long-term loan in the amount of CZK 264,557 thousand (2019 – CZK 289,557 thousand).

In 2013, a service contract for the provision of management consulting services was entered into with A/S "4finance". The provision of services of this nature and the method of setting the price are based on the Group documentation on transfer prices. In 2020, the costs of these services amounted to CZK 9,846 thousand (2019 – CZK 14,005 thousand).

Furthermore, the Company received services from related parties including primarily IT costs and marketing costs. Received IT Services serve to provide and support software applications that the Company uses as part of its infrastructure (attendance system, accounting software, reporting systems). Services related to the maintenance of the loan registration system, the debt collection system and other necessary systems required for the provision of loans, all in accordance with the credit law. In 2020, the costs of these IT services amounted to CZK 44,715 thousand (2019 – CZK 46,029 thousand). In that year, the advertising and marketing costs amounted to CZK 1,808 thousand (2019 – CZK 4,371 thousand).

Employees of the Company

Average number of employees and personnel costs:

	Average number of employees	Labour costs	Costs of social security and health insurance	Social costs
2020	69	49,374	15,373	1,845
Of which managers	7	17,762	7,082	664
2019	77	56,866	17,179	1,887
Of which managers	8	17,299	4,349	196

Payables to Social Security and Health Insurance

As of December 31, 2020, the social security payables amounted to CZK 1,079 thousand (2019 - CZK 1,029 thousand) and the health insurance payables CZK 529 thousand (2019 – CZK 724 thousand). None of these liabilities are overdue.

State – Tax Receivables and Liabilities

The total tax liabilities amount to CZK 1,666 thousand (2019 - CZK 1,974 thousand). This amount represents the assessed VAT liability, which was not transferred to the state budget by December 31, 2020, of CZK 1,071 thousand (2019 – CZK 1,085 thousand) and a personal income tax liability in the amount of CZK 595 thousand (2019 - CZK 889 thousand). None of these liabilities are overdue.

Furthermore, as of the Balance Sheet date, the Company records a claim from the paid advance on corporate income tax of CZK 25,641 thousand for 2020 (2019 - CZK 28,016 thousand) which was included with the corporate income tax reserve.

In the monitored accounting period, the Company did not receive any subsidies or investment incentives.

Sales of Own Products and Services

The Company's sales in the total amount of CZK 440,675 thousand (2019 – CZK 488,326 thousand) are made up mainly of interest received from loans granted in the amount of CZK 186,868 thousand (2019: CZK 208,914 thousand) and revenues from fees for extending the maturity of loans CZK 237,554 thousand (2019: CZK 264,952 thousand). The rest of the revenue is made up of penalty fees that the Company charges clients in the event of a delay in repaying their loan.

Services

Of the total amount of service costs of CZK 155,564 thousand (2019 – CZK 174,664 thousand), costs for IT services, marketing and commissions for loan provision accounts for the largest share. IT costs mainly include the costs of providing and supporting software applications that the Company uses in connection with credit management, accounting, reporting purposes, etc. The marketing costs mainly represent costs for advertising on television, on the Internet through an affiliate network, billboard campaigns and radios. Another significant item is the cost of loan brokerage.

	2020	2019
Costs for IT services	52,310	49,076
Advertising and promotion costs	30,489	41,824
Costs of brokerage	15,931	23,144
Other	56,834	60,620
Total services	155,564	174,664

Income Tax

Tax payable

In 2020, the payable income tax for 2019 was billed in the amount of CZK 27,101 thousand and at the same time the created reserve from 2019 in the amount of CZK 26,663 thousand was dissolved.

In the Balance Sheet, the 2020 reserve for income tax is reduced by the receivable from income tax advances paid. Given that the paid advances (CZK 25,641 thousand) exceed the calculated reserve for 2020 (CZK 12,643 thousand), a receivable from the state is reported in this case. As of the date of the Financial Statements, the reported tax receivable from the state in the amount of CZK 12,998 thousand.

Deferred tax

Deferred tax + receivable/(-payable)	Receivables		Payables		Difference	
	2020	2019	2020	2019	2020	2019
Tangible and intangible fixed assets	184	166	0	0	18	166
Receivables	18,504	25,083	-	0	-6,579	25,083
Reserves	281	264			17	264
Estimated receivables and payables	345	1,356	-	0	-1,011	1,365
Deferred tax + receivable/(-payable)	19,314	26,879	0	0	-7,555	26,879

Under Act No. 586/1992 Sb., on income taxes, the tax rate valid for the period in which the tax liability or receivables will be applied - i.e. for 2020 and the following, the enacted rate is in the amount of 19% - is used for the calculation of the deferred tax.

Liabilities not Reported in the Balance Sheet

The Company has not recorded any liabilities not reported in the Balance Sheet.

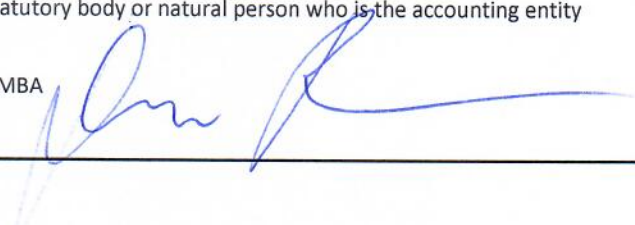
Significant Subsequent Events

In connection with the global spread of the COVID19 virus, a state of emergency was declared in the Czech Republic on March 12, 2020, and a number of restrictive measures were taken. A government decree made it possible to postpone installments by 3 to 6 months for consumer loans granted until 26/03/2020, valid only if clients requested a postponement. At this moment, we can evaluate the overall impact of these deferred installments which has a certain effect on the enforceability of the deferred installments. This amount is reported in the category of adjustments which reflect the overall riskiness of the portfolio. Given that the Company's value of adjustments does not differ significantly compared to last year, it can be stated that the impact is not relevant in the context of the assessment of the Financial Statements. The result of the economic situation within the global pandemic is mainly reflected in the revenues which decreased by 9.76% compared to last year. Since 2021 continues to

be affected by this situation, even though gradual loosening can be expected from the second half of 2021, a similar impact on the Company's revenues and financial results can be estimated for 2021.

As part of the restructuring of the Group, an important decision was made when Zaplo Finance s.r.o. acquired the asset structure of the spin-off plant SIA 4finance IT – CZ with legal effect as of April 1, 2021. Since that date, the Company has expanded its business activities to include IT development. Based on an expert opinion, the capital was increased by CZK 84,425 million.

As of the date of the Financial Statements, the Company management is not aware of any other significant subsequent events that would affect the Financial Statements as of December 31, 2020.

Date:	Signature of the statutory body or natural person who is the accounting entity
25th May 2021	Ing. Dušan Raška, MBA 

BALANCE SHEET
in its entirety
as at 31 December 2020

Business name or other name of the entity

Zaplo Finance s.r.o.

The registered office

5.května 1746/22

Praha

140 00

Arrangement and marking according to Decree No. 500/2002 Coll.

In thousands CZK

The entity shall deliver the financial statements at the same time as it delivers the income tax return

1 x to the relevant tax office

Year	Month	ID
2020	12	29413575

Marking a	Assets b	Line number r	Current year			Previous year Netto 4
			Brutto 1	Correction 2	Netto 3	
	TOTAL ASSETS (ř.2+3+37+78) = ř.1 PASIVA	1	645,943	-177,085	468,858	509,842
B.	TOTAL ASSETS (ř.4+14+27)	3	137,886	-79,696	58,190	69,769
B.I.	Intangible fixed assets (ř.5+6+9 až 11)	4	129,382	-71,541	57,841	69,128
B.I.2.	Intellectual property rights (ř.7+8)	6	91,107	-57,611	33,496	48,590
B.I.2.1.	Software	7	91,107	-57,611	33,496	48,590
B.I.4.	Other intangible fixed assets	10	18,032	-13,930	4,102	0
B.I.5.	Advance payments for intangible fixed assets and intangible fixed assets under construction	11	20,243	0	20,243	20,538
B.I.5.2.	Intangible fixed assets under construction	13	20,243	0	20,243	20,538
B.II.	Tangible fixed assets (ř.15+18+19+20+24)	14	8,504	-8,155	349	641
B.II.2.	Plant and equipment	18	8,504	-8,155	349	641
C.	Current assets (ř.38+46+72+75)	37	507,392	-97,389	410,003	439,697
C.II.	Receivables (ř.47+57+68)	46	454,591	-97,389	357,202	381,285
C.II.1.	Long-term receivables (ř.48 až 52)	47	67,220	-5,136	62,084	96,271
C.II.1.1.	Trade receivables	48	44,925	-5,136	39,789	66,415
C.II.1.4.	Deferred tax asset	51	19,314	0	19,314	26,879
C.II.1.5.	Receivables - other (ř.53 až 56)	52	2,981	0	2,981	2,977
C.II.1.5.2.	Long-term advances paid	54	2,981	0	2,981	2,977
C.II.2.	Short-term receivables (ř.58 až 60)	57	387,371	-92,253	295,118	285,014
C.II.2.1.	Trade receivables	58	372,147	-92,253	279,894	272,150
C.II.2.4.	Receivables - other (ř.62 až 67)	61	15,224	0	15,224	12,864
C.II.2.4.3.	Tax receivables	64	12,998	0	12,998	1,354
C.II.2.4.4.	Short-term advances paid	65	1,890	0	1,890	5,554
C.II.2.4.5.	Estimated receivables	66	336	0	336	5,856
C.II.2.4.6.	Other receivables	67	0	0	0	100
C.IV.	Cash (ř.76+77)	75	52,801	0	52,801	58,412
C.IV.1.	Cash in hand	76	83	0	83	120
C.IV.2.	Bank accounts	77	52,718	0	52,718	58,292
D.	Deferrals (ř.79 až 81)	78	665	0	665	376
D.1.	Prepaid expenses	79	665	0	665	376

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Zaplo Finance s.r.o.



5.května 1746/22

140 00 Praha 4

IČ: 294 13 575



Marking a	LIABILITIES b	Line number	Current account balance 5	Status in the previous account. period 6
	TOTAL LIABILITIES AND EQUITY (ř.2+23+66) = ř.1 Aktiva	82	468,858	509,842
A.	Equity (ř.3+7+15+18+21+22)	83	152,454	147,826
A.I.	Registered capital (ř.4 až 6)	84	20,000	20,000
A.I.1.	Registered capital	85	20,000	20,000
A.II.	Premium and capital contributions (ř.8+9)	88	60,000	3,373
A.II.2.	Capital contributions (ř.10 až 14)	90	60,000	3,373
A.II.2.1.	Other capital contributions	91	60,000	60,000
A.II.2.2.	Revaluation of assets and liabilities (+/-)	92	0	-56,627
A.IV.	Retained earnings (+/-) (ř.19 až 20)	99	0	39,368
A.IV.1.	Retained profits	100	0	56,627
A.IV.2.	Other retained earnings (+/-)	101	0	-17,259
A.V.	Profit (loss) for the current period (+/-)	102	72,454	85,085
B. + C.	Liabilities (ř.24+29)	104	300,354	344,956
B.	Provisions (ř.25 až 28)	105	1,480	1,388
B.4.	Other provisions	109	1,480	1,388
C.	Liabilities (ř.30+45+63)	110	298,874	343,568
C.I.	Long-term liabilities (ř.31+(34 až 41))	111	264,557	289,557
C.I.6.	Liabilities - group undertakings	119	264,557	289,557
C.II.	Short-term liabilities (ř.46+(49 až 55))	126	34,317	54,011
C.II.4.	Trade payables	132	10,678	16,942
C.II.6.	Liabilities - group undertakings	134	3,132	2,914
C.II.8.	Liabilities - other (ř.56 až 62)	136	20,507	34,155
C.II.8.3.	Payables to employees	139	2,907	3,947
C.II.8.4.	Social security and health insurance liabilities	140	1,608	1,753
C.II.8.5.	Tax liabilities and subsidies	141	1,666	1,974
C.II.8.6.	Estimated payables	142	14,275	22,326
C.II.8.7.	Other payables	143	51	4,155
D.	Accruals (ř.67+68)	147	16,050	17,060
D.2.	Deferred revenues	149	16,050	17,060

Compiled on 25.05.2021		Signature record of the statutory body of the accounting entity or signature record of the natural person who is the accounting entity Managing Director 	
Legal form of the entity limited liability company	Subject of business The provision or brokerage of consumer credit, production, trade and services not specified in annexes 1 to 3 trade act.	Notes:  Zaplo Finance s.r.o. 5.května 1746/22 140 00 Praha 4 IČ: 294 13 575 ③	

Arrangement and marking
according to Decree No. 500/2002
Coll.

The entity shall deliver the financial statements
at the same time as it delivers the income tax
return

1 x to the relevant tax office

INCOME STATEMENT
in its entirety
as at 31 December 2020

In thousands CZK

Year	Month	ID
2020	12	29413575

**Business name or other name
of the entity**

Zaplo Finance s.r.o.

The registered office

5.května 1746/22

Praha

140 00

Označení a	TEXT b	Čís. řádku	Skutečnost v účetním období	
			sledovaném 1	minulém 2
I.	Revenue from products and services	1	440,675	488,326
A.	Cost of sales (ř.4 až 6)	3	157,092	178,956
A.2.	Materials and consumables	5	1,391	2,481
A.3.	Services	6	155,701	176,475
D.	Personnel expenses (ř.10+11)	9	66,592	75,932
D.1.	Wages and salaries	10	49,374	56,866
D.2.	Social security, health insurance and other expenses	11	17,218	19,066
D.2.1.	Social security and health insurance expenses	12	15,373	17,179
D.2.2.	Other expenses	13	1,845	1,887
E.	Adjustments relating to operating activities (ř.15+18+19)	14	-6,873	61,368
E.1.	Depreciation and amortization of intangible and tangible	15	27,756	20,023
E.1.1.	Depreciation and amortization of intangible and tangible fixed assets	16	27,756	20,023
E.3.	Adjustments to receivables	19	-34,629	41,345
III.	Other operating revenues (ř.21 až 23)	20	38,626	36,801
III.1.	Proceeds from disposals of fixed assets	21	22	0
III.3.	Other operating revenues	23	38,604	36,801
F.	Other operating expenses (ř.25 až 29)	24	132,416	94,436
F.3.	Taxes and charges	27	1	1,016
F.4.	Provisions relating to operating activity and complex prepaid expenses	28	91	44
F.5.	Other operating expenses	29	132,324	93,376
*	Operating profit (loss) (+/-)	30	130,074	114,435
J.	Interest expense and similar expense (ř.44+45)	43	34,615	16,898
J.1.	Interest expense and similar expense - group undertakings	44	34,615	16,898
VII.	Other financial revenues	46	2,544	695
K.	Other financial expenses	47	4,903	3,701
*	Profit (loss) from financial operations	48	-36,974	-19,904
**	Profit (loss) before tax (+/-) (ř.30+48)	49	93,100	94,531
L.	Income tax (ř.51+52)	50	20,646	9,446
L.1.	Current tax	51	13,081	18,491
L.2.	Deferred tax (+/-)	52	7,565	-9,045
**	Profit (loss) after tax (+/-) (ř.49-50)	53	72,454	85,085
***	Profit (loss) for the accounting period (+/-) (ř.53-54)	55	72,454	85,085
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII.	56	481,845	525,822

Compiled on:	Signature of the responsible person (statutory body):	Signature of the person responsible for compilation (compiler):
25.05.2021	Ing. Dušan Raška Managing Director	Ing. Markéta Jarešová Chief Accountant

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5.května 1746/22
140 00 Praha 4
IČ: 294 13 575 ③

According to
Decree No.
500/2002
Coll.

OVERVIEW OF CASH FLOWS

Name and legal form of the entity:

Název společnosti

The registered office of the entity:

Ulice

PSC

Praha

Subject of business /activities acc. j.:

Providing or arranging consumer credit, IT development

as at 31 December 2020

(in whole thousands CZK)

ID

29413575

		Actual in the accounting period	
		Current year	Previous year
Cash and cash equivalents, beginning of period		58,412	17,285
Net operating cash flow			
Z.	Operating profit (loss) before tax		
A. 1	Non-cash transactions	93,100	94,531
A. 1 1	Depreciation of fixed assets	158,054	166,601
A. 1 2	Provisions and adjustments relating to operating activity	27,756	20,023
A. 1 3	Profit(-) Loss(+) on sale of fixed assets	-34,538	41,389
A. 1 5	Charged interest expense, excluding interest included in the valuation of fixed assets, and charged interest income	-22	0
A. 1 6	Other non-cash transactions	34,615	19,764
A. *	Net operating cash flow before tax,	130,243	85,425
A. 2	Changes in working capital	251,154	261,132
A. 2 1	Change in receivables from operating activities, estimated receivables and deferrals	-81,220	-194,619
A. 2 2	Change in short-term liabilities from operating activities, estimated payables and accruals	-60,298	-169,037
A. **	Net operating cash flow before financial	-20,922	-25,582
A. 3	Interest paid excluding amounts capitalised	169,934	66,513
A. 5	Income tax paid on ordinary income and income tax relating to prior periods	-34,396	-19,764
A. ***	Net operating cash flow	-24,726	-18,411
Financial activity		110,812	28,338
B. 1	Expenditure related to the acquisition of fixed assets		
B. 2	Proceeds from sales of fixed assets	-23,619	-11,627
B. ***	Net cash flow from investment activity	22	0
Investment activity		-23,597	-11,627
C. 1	Change in long-term liabilities and bank loans		
C. 2	Increase and decrease in equity from cash transactions	-25,000	192,518
C. 2 6	Dividends paid, including withholding tax paid	-67,826	-168,102
C. ***	Net cash flow from financial activity	-67,826	-168,102
U.	Net increase or decrease in cash balance	-92,826	24,416
KS.	Cash and cash equivalents, end of period	-5,611	41,127
		52,801	58,412

Compiled on:	Signature of the responsible person (statutory body):	Signature of the person responsible for compilation (compiler):
25.05.2021	Ing. Dušan Raška Managing Director	Ing. Markéta Jarešová Chief Accountant

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Zaplo Finance s.r.o.
5. května 1746/22
140 00 Praha 4
IČ: 294 13 575 ③

Statement of changes in equity

as of: 31.12.2020

Company: Zaplo Finance s.r.o.
 Address: 5. května 1746/22, 140 00
 ID: 29413575

	Share capital Treasury shares Other cap.	Funds Valuation	Other chap. Funds	Valuation Differences	Valuation Differences (mergers)	Statutory Funds	Cumulative Result economic performance	Total	Minority interests in equity
Initial position as at 1.1. (previous period)	20,000	0	60,000	-56,627	0	0	224,729	248,102	
Capital transactions with owners									
Decrease	0	0	0		0		-168,102	-168,102	
Other transactions								0	
Decrease				0			-17,259	-17,259	
VH for the year previous period							85,085	85,085	
Closing balance as at 31.12. (previous period)	20,000	0	60,000	-56,627	0	0	124,453	147,826	0
Capital transactions with owners									
Profit distribution - payout							-67,826	-67,826	
Other transactions									
Increase							17,259	17,259	
Decrease				56,627			-73,886	-17,259	
VH for the year (current period)							72,454	72,454	
Closing balance at 31.12. (current period)	20,000	0	60,000	0	0	0	72,454	152,454	0

Compiled on:
25.05.2021

Signature of the responsible person
Ing. Dušan Raška

Signature of the person responsible for compilation (compiler):
Ing. Markéta Jarešová



Zaplo Finance s.r.o.
 5. května 1746/22
 140 00 Praha 4
 IČ: 294 13 575

**REPORT ON THE RELATIONS OF ZAPLO FINANCE S. R. O.
FOR THE 2020 ACCOUNTING PERIOD,
UNDER SECTION 82 ET SEQ. OF THE COMPANIES AND CORPORATIONS
ACT**

The governing body of Zaplo Finance s. r. o., with its registered office at 5 May 1746/22, Nusle, 140 00 Prague 4, Comp. Id. No. 294 13 575, registered at the Metropolitan Court in Prague Ref. identifier C 205150 (hereinafter referred to as the *Controlled Entity*), as a controlled entity, under Section 82 of Act No. 90/2012 Sb., on companies and corporations (hereinafter referred to as the *Companies and Corporations Act*), has processed this Report on the Relations between the Controlling Entity and the Controlled Entity and between Entities Controlled by the Same Controlling Entity (hereinafter referred to as the *Report*):

I. Structure of the Relations between the Entities

Zaplo Finance s. r. o. is owned by a sole shareholder which is AS "4finance", registered office LV-1046 Riga, Lielirbes iela 17A-8, Republic of Latvia; Registration number: 40003991692 (hereinafter referred to as the *Controlling Entity*).

AS "4finance" is further fully owned by *4finance Holding S.A.* (registered office at 8-10, Avenue de la Gare, L-1610 Luxembourg, Luxembourg) which is further fully owned by *4finance Group S.A.* (registered office at 8-10, Avenue de la Gare, L-1610 Luxembourg, Luxembourg) and it is wholly owned by *Tirona Limited* (registered office at 15 Kallipoleos & Ifigeneias, 1 AMARAL 30, Office 202 Agios Antonios, 1055, Nicosia, Cyprus).

The Controlling Entity controls the following companies:

1. *4finance AB*, registered office at Hammarby Allé 47, 120 30, Stockholm, Sweden; which further owns a subsidiary:
 - a. *4finance AB* (the same registered office);
2. *4finance ApS*, registered office at Vesterbrogade 1L, 4, 1620 København, Denmark;
3. *4finance S.A.*, registered office at 8-10, Avenue de la Gare, L-1610 Luxembourg, Luxembourg;
4. *LLC Credit Management*, registered office at Gudiashvili Square N4, Old Tbilisi district, Tbilisi, Georgia;
5. *4finance Spain Financial Services SAU*, registered office at Street Albasanz 14, ground floor, 28037 Madrid, Spain;

Zaplo Finance s.r.o.

Mayhouse Office, 5. května 1746/22, Praha 4
zaps. v obch. rejstříku u Měst. soudu v Praze, oddíl C, vložka 205150 | IČ 294 13 575
tel: 800 399 399 | 225 852 311 | www.zaplo.cz | info@zaplo.cz



6. *4finance UAB*, registered office at Jonavos g. 254A, LT-44132 Kaunas, Lithuania;
7. *Vivus Finance sp. z o.o.* registered office at Building B4, Żwirki i Wigury street number 16c, 02-092 Warsaw, Poland; which further controls:
 - a. *Global Collection Management Sp. Z o.o.* (the same registered office)
 - b. *Platforma Vivus Sp. Z o.o.* (the same registered office)
 - c. *Platforma Vivus Spółka jawna Sp. Z o.o.* (the same registered office)

(hereinafter referred to as the *Related Entities*)

II. Role of the Controlled Entity in the Structure of Relations

The Controlled Entity was founded as a subsidiary of the Controlling Entity with the aim of providing short-term consumer loans in the territory of the Czech Republic, i.e. the same financial products as other Related Entities in the countries of their operation.

The Controlled Entity uses some synergistic effects of the membership in the 4finance concern, such as the parent company's know-how, a more favourable price for some services related to computer solutions, adaptation of computer database information systems, incl. their management, etc.

III. Control Methods and Means:

Control is implemented by the Controlling Entity, including without limitation through the direct exercise of voting rights at the Controlled Entity's general meeting and the granting of management instructions within the concern.

IV. List of Actions Taken in the Last Accounting Period at the Instigation or in the Interest of the Controlling Entity or Entities Controlled by it, if Such Actions Related to Assets that Exceed 10% of the Controlled Entity's Equity

In 2020, the Controlled Entity carried out the following transactions at the instigation or in the interest of the Controlling Entity or Related Entities:

- a) The purchase of IT services and network connection, including the development of new software and its maintenance, is carried out based on the historical instruction of the Controlling Entity. The fulfillment of CZK 61,740 thousand was provided by SIA 4finance IT, a sister company
- b) Due to taking out a loan from 4finance S.A. (Luxembourg), a sister company, interest in the amount of CZK 34,615 thousand is paid.

The remaining transactions with the Related Entities did not reach the limit of 10% of the Controlled Entity's equity.

V. List of Contracts/Agreements between the Controlled Entity and the Controlling Entity or between the Controlled Entities

- a) 4finance S.A., Luxembourg; Interest Bearing Loan facility Agreement entered into on May 15, 2013, as amended on March 22, 2018
- b) AS 4finance, Latvia; Service Agreement No. UL-015/2013/03)

VI. Assessment of Whether the Controlled Entity Has Suffered Damage and Assessment of its Settlement pursuant to Sections 71 and 72

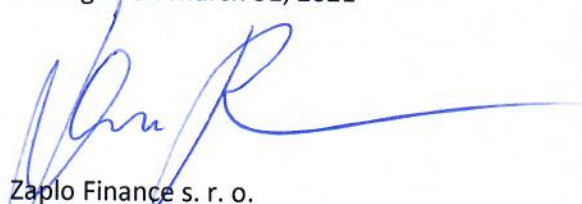
All relations between the Controlled Entity and the Controlling Entity or the Controlled Entity and the Related Entities were entered into and implemented under the usual contractual terms and conditions, while the agreed and provided consideration corresponded to the terms and conditions of usual business dealings and the Company did not suffer any damage or significant risk or disadvantage from these relations.

VII. Assessment of the Advantages and Disadvantages Arising from the Relations between the Entities under Paragraph 1 and the Resulting Risks and the Method of Damage Settlement

The relations with the Controlling Entity and the Related Entities are mainly beneficial due to the strong economic background of the Group, and no known risks arise for it.

In the relations between the Controlled Entity and the Controlling Entity or Related Entities, there was no damage under Sections of 71 or 72 of the Companies and Cooperations Act.

In Prague on March 31, 2021



Zaplo Finance s. r. o.

Ing. Dušan Raška MBA

Managing Director

Translation of the Independent auditor's report of Zaplo Finance s.r.o. for the period 31 December 2020

APOGEO Audit, s.r.o.
Rohanské nábřeží 671/15
Recepce B
CZ186 00 Praha 8

Number of pages: 4

INDEPENDENT AUDITOR'S REPORT

on the financial statements of the company Zaplo Finance s.r.o.

Business address: 5. května 1746/22, Nusle, 140 00 Praha 4

Company registration number: 294 13 575

Main activity: providing or mediating consumer loans; production, trade and services not listed in Annexes 1 to 3 of the Trade Act

The Independent Auditor's Report on the financial statements are intended associates of the company Zaplo Finance s.r.o.

The auditor's opinion

We have audited the accompanying financial statements of the company Zaplo Finance s.r.o. (hereinafter the "Company"), compiled based on Czech accounting regulations, which comprise the balance sheet as at 31 December 2020, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. Information about company is disclosed in note to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of company Zaplo Finance s.r.o. as at 31 December 2020, and revenues and expenses and the results of its profit and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic

Basic for qualified opinion

We conducted our audit in accordance with the Act on Auditors and standards Czech Chamber of Auditors for the audit, which the International Standards on Auditing (ISA), possibly supplemented and modified the related application guidance. Our responsibility defined in these regulations are described in detail in Section auditor's responsibility for the audit of the financial statements. In accordance with the Auditors Act and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, we are independent of the Company and we met other ethical obligations resulting from these regulations. We believe that the audit evidence we have gathered, provide sufficient reasonable basis for our opinion.

Other matters

We draw your attention to the point of the footnotes "Significant subsequent event!" of the financial statements describing events after the date of the financial statements until the date of their compilation. Here, the company presents facts related to the global spread of the COVID19 virus and the declaration of a state of emergency in the Czech Republic from 12/03/2020. In connection, a number of extraordinary measures were taken. The overall situation had a partially negative impact on the company's revenues and financial results.

However, the continuous existence of the company was not threatened, and it will not be threatened even in the following year 2021. Our statement is not modified in relation to this matter.

Other information included in the annual report

Other information in accordance with § 2) Auditor Act information in the annual report outside the financial statements and our audit report. Executives are responsible for all other information.

Our opinion on the financial statements will not apply to other information. Nevertheless, it is part of our duties related to auditing the accounts, reading the other information and assess whether the other information is not significant (material) of non-compliance with the financial statements or our understanding of the entity obtained during the audit of financial statements or whether other such information not appear to be significant (material) is incorrect. Also consider whether other information were all significant (material) respects prepared in accordance with relevant legislation. This means assessing whether the information meets the other requirements of legislation for the formalities and the process of developing other information in the context of the significance (materiality), i.e. Whether any infringement of those requirements would be likely to affect the judgment made on the basis of other information.

Based on the procedures performed, to the extent that we can no longer judge, we note that

- other information describing matters that are also presented in the financial statements, in all material respects in accordance with the financial statements and
- other information have been prepared in accordance with the law.

Furthermore, we are required to state whether, on the basis of knowledge and awareness of the company to which we have arrived in auditing, and other information are free of materiality factual misstatements. Under those procedures, we have received no other information material factual misstatements were found.

Responsibility of the Executives and the Supervisory Board for the Financial Statements

Executives are responsible for preparing the financial statements give a true and fair view in accordance with accounting regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material, whether due to fraud or error.

The preparation of financial statements, executives of the Company are required to assess whether the Company to continue as a going concern and, if applicable, the disclosure in the financial statements matters relating to the going concern and the use of the going concern assumption in preparing the financial statements, except in cases executives planned dissolution of the Company or its closure, respectively when no realistic alternative but to do so.

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

Auditor's responsibility for the audit of financial statements

Our objective is to obtain reasonable assurance that the financial statements as a whole does not have a significant (material), whether due to fraud or error and to issue an auditor's report contains our opinion. Reasonable assurance is a high level of certainty, however, does not guarantee that an audit conducted in accordance with the above provisions in all cases in the financial statements reveal any existing significant (material), if it can be reasonably assumed that, individually or in the aggregate, could influence the economic decisions of users of financial statements on the basis of income.

In conducting an audit in accordance with the above provisions is our duty to apply throughout the audit professional judgment and maintain professional skepticism. Furthermore, it is our duty:

- Identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures responsive to those risks and to obtain sufficient appropriate audit evidence to provide a basis to express an opinion. The risk that we discover significant (material) misstatement due to error, as part of a fraud may be collusion, falsification, deliberate omissions, misrepresentations or circumvention internal controls by the Board.
- To be familiar with internal control relevant to the audit of the Company to the extent that we can design audit procedures appropriate to the given circumstances, we can not express an opinion on the effectiveness of its internal control system.
- Assess the appropriateness of accounting policies used and reasonable of accounting estimates and information which, in this context, executives stated in the financial statements.
- Assess the appropriateness of using the going concern assumption in preparing the financial statements, executives and whether, having regard to the evidence obtained, there is a significant (material) the uncertainty arising from events or conditions that may partly significant doubt about the Company's ability to continue as a going. If we conclude that such a significant (material) uncertainty exists, it is our duty to point out in our report on the information provided in this respect in the financial statements, and if this information is not sufficient to express a modified opinion. Our conclusions regarding the Company's ability to continue as a going based on the evidence that we have obtained to date of our report. However, future events or conditions may lead to the fact that the Company loses its ability to continue as a going.
- Evaluate the overall presentation, structure and content of financial statements, including attachments, and whether the financial statements reflect the underlying transactions and events in a way that leads to a fair presentation.

Our duty is to inform the Executives and the Supervisory Board, among other things, the planned scope and timing of the audit and on significant findings, which are in the course they did, including the identified significant deficiencies in internal control.

Prague, 25 May 2021

Ing. Jaromír Chaloupka

Auditing company:
APOGEO Audit, s.r.o.
Rohanské nábřeží 671/15

Recepce B
CZ 186 00 Praha 8
Certificate number 451



Ing. Jaromír Chaloupka

Company auditor:
Ing. Jaromír Chaloupka
Certification number of the auditor
2239