

# 2020

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COMPANY PROFILE  
& ANNUAL REPORT 2020

Broker<sup>®</sup>  
Consulting

# CONTENTS

page 5	page 7	page 11	page 13
01	02	03	04
General Information about the Company	Introductory Word by the Founder	Board of Directors and Supervisory Board	Company Profile
page 20	page 23	page 25	page 27
05	06	07	08
Our Services	Membership in the CASF	Corporate Social Responsibility	Business Trends in 2020
page 33	page 54	page 60	page 62
09	10	11	12
Broker Consulting CR Economics 2020	Report on Relations between Interlinked Entities	Business Partners of Our Company	Contact Information

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*There is a saying that money does not make a man happy – which certainly means the money belong to others.*

*Jules Renard*



## GENERAL INFORMATION ABOUT THE COMPANY

### Business firm

**Broker Consulting, a. s.**

### ID No.

252 21 736

### Tax ID No.

CZ699002502

### Registered Office

Jiráskovo nám. 2684/2, Východní Předměstí, 326 00 Plzeň

### Legal Form

Joint Stock Company

### Date of Entry in the Commercial Register

21. 05. 1998 as BROKER CONSULTING, s. r. o.

06. 04. 1999 as Broker Consulting, s. r. o.

01. 07. 2004 as Broker Consulting, a. s.

The company has been entered in the Commercial Register at the Regional Court in Plzeň under file reference B 1121.

### Registered Capital

CZK 100,910,448

### Line of Business

- Production, trade and services not specified in Schedules 1 through 3 to the Trade License Act
- Investment intermediary
- Independent consumer credit intermediary
- Real estate agency
- Insurance agent (until 31. 7. 2020)
- Insurance broker (until 31. 7. 2020)
- Independent intermediary under the Act on the Distribution of Insurance and Reinsurance (from 31. 7. 2020)
- Independent intermediary under the Act on Supplementary Pension Savings (from 31. 7. 2020)





Price is what you pay.  
Value is what you get.

Warren Buffett

02

## INTRODUCTORY WORD BY THE FOUNDER



**Petr Hrubý**

Founder and Chair of the Supervisory Board  
Broker Consulting, a. s.

### **We Have Proved to Be Resilient, while Also Being Extremely Grateful for the Uninterrupted Opportunity to Serve Our Clients.**

The events of the entire past year 2020 were unprecedented. At first, even despite our two decades long growth, we in Broker Consulting were unable to predict the direction the events would take after the coronavirus pandemic broke out, and what the future would hold. To be, or not to be? Some companies and many entrepreneurs were forced to ask even such painful existential question in the past year.

Faced with the sudden crisis, we focused on two things – **taking care of our clients and providing support to our consultants**. The first few weeks of the pandemic situation had shown that more than ever before our clients appreciated the quality of our services, the peace of mind given by the many years of our experience with investment market trends, and especially the financial plan, thanks to which our clients were able to weather this unforeseen crisis with more ease when it came to finances. It was probably the ancient protective mechanism needed for survival that made the majority of people reflect more – on the quality of life, the need to insure their next of kin, on the securities that we are able to influence. Our main task was to fend off any panic, and to continue fulfilling our existing mission, which included honest everyday care for the financial well-being of our clients. These difficult times and moments of crisis undoubtedly documented our true strength, resilience and internal stability.

We started as a small business firm with one office in Pilsen. Today, we have 2,000 consultants working with us, and we serve over 600,000 clients across the Czech Republic and Slovakia.

»»



20%

**In 2020, our economic results grew up by 20% as compared to 2019**

And after 2020 we know that from the work perspective we are able to tackle even such trying times like the ones we all went through in the form of coronavirus. We are very grateful that our branches remained open the entire time because our services were considered essential to the public.

In terms of economic results, we ended 2020 with a **solid growth of 20 % as compared to 2019**, and with a vision of even further growth. At the time of writing these words (2Q 2021), we are showing as much as over 40 % year-over-year growth.

But there is more to these numbers than what may be apparent at first sight. These numbers are backed by tens of thousands of clients we helped so they could have less to worry about and make the right decisions. They are backed by thousands of profitably and, more importantly, securely sold real estate properties either as part of development projects (primary market) or on the secondary market. They are also backed by the professional work of our consultants and our Central Office employees who, objectively speaking, worked much harder than ever before. Furthermore, they are backed by the fact that we hired over 1,000 new colleagues who have stayed with us and have been pursuing their career. Last but not least, these numbers are backed by our ability to provide both financial and real estate services in one location. Thanks to the way it works and to its scope, our concept has retained its unique spot on the market.

### **The Finances. Real Estate. Together. Concept**

From the very introduction of the Finances. Real Estate. Together. concept, our experience in Czechia and Slovakia has confirmed just how productive and promising the synergy of services truly is. The aspirations to own real estate properties, as well as the necessity to protect one's savings from inflation by investing have cranked up a perfectly functioning mechanism, and attrac-

ted many other business opportunities. They have proved that finances and real estate represent true royal disciplines that are interlinked and inseparable.

The market of financial and real estate intermediation has undergone fundamental changes in 2020. Apart from the ever growing demand for professionalism and top quality of services, we were forced to shift our services to the realm of online communication, which in many aspects was entirely unknown to us and was so atypical of our profession (up until 2020). The demands for new technical skills, faster pace, as well as effectiveness in the virtual setting have demonstrated the extraordinary professional quality of our people and their desire to keep improving, learning new skills and take on new challenges and opportunities. Thanks to these changes we as individuals, as well as the company in its entirety have been constantly progressing, improving our internal systems, technologies and applications.

### **Professional Growth and New Career Opportunity**

All our co-operators go through sophisticated and advanced training system, and the open sharing of business practices, as well as a friendly competition all contribute to the unique corporate culture, making Broker Consulting an increasingly more sought after company.

All of the above also applies to our OK POINT concept franchisees. Our franchise concept has proved to be attractive to people coming from the corporate environment, travel industry, but also from many other sectors. And despite this profession's very challenging nature with respect to expertise and know-how, we have demonstrated that we are able to quickly train our people, and within several months, with no risk involved and with maximum professional care, get them ready to tackle their new business challenge.

### **Business Ethics**

There is one more strong point to Broker Consulting that needs emphasizing – and that is the moral position of all the companies within the broader Broker Consulting Group. We are proud of our fair and honest approach to our clients, as well as our

employees, and we continue to strictly reject the practice of certain companies that take advantage of a complicated financial situation their clients may find themselves in. We believe that transparency and moral strength are way more worth it.

As an example, our sister company ProCredia helps clients with financial issues get back into good financial shape within a period of two to five years, all under entirely fair conditions. Among other things, in December of 2020 ProCredia started the payout of five-year corporate bonds issued in 2016. Even though the payout of these obligations was not guaranteed in the Czech Republic during 2020, our clients could rely on us to deliver. Investors can keep participating in the company's success, now also thanks to the OK Smart Opportunity qualified investor fund from the investment company Moneco, which is also part of the broader Broker Consulting Group of companies. The entire Broker Consulting Group has been successful in many other new undertakings. The OK SMART ETF and OK SMART BOND funds are becoming very well established on the market. They represent top investment instruments that I personally use and I can, without a single doubt, recommend them to our clients as well. It is precisely investments that represent one of the main streams in financial consulting, and especially in these times they are gaining great potential for the future. Of equal importance is also our cooperation with another company within our group – with the company Prodomia Group. It represents yet another proof of excellent synergy. For example, it cooperates with developers who like using our property management services, which brings both parties undeniable comfort and advantages. Our people are able to offer the developers our wider portfolio of services, while keeping the quality of services under control. Our mission is to help our clients achieve better quality of life. However, there are people among us who need this help many-fold and who give our work a new, deeper dimension. Therefore, even in 2020 we intensively contributed to benefit those in need through the Good Deed (Dobrý skutek in Czech) foundation, the creation of which we were part of, and which we have been gladly supporting since then for years. Contributions come both from our co-operators and employees, and the Broker Consulting company itself. Good Deed allocates one hundred percent of the donated funds in an entirely transparent manner to its clients,

who are often outside of the media spotlight. The money goes towards different physiotherapy equipment, therapeutic or curative stays, and towards helping those in need manage their difficult life situation.

The ABC of Financial Education (ABC Finančního vzdělávání, o. p. s. in Czech) also continued its hands on task of increasing financial literacy of the general public last year by providing training of students, teachers, employees at different businesses and offices. The popular educational FinGR Play game on [www.fingrplay.cz](http://www.fingrplay.cz) remains an integral part of our education through entertainment and public financial education.

### **It All Comes Down to Admiration and Words of Thanks.**

In conclusion, I would like to sincerely thank all our directors, managers, consultants, assistants and, of course, people from the Central Office for their tremendous support, and for the brilliant way they mastered the extraordinary year of 2020. We demonstrated our exceptional strength in this transformed world; we maintained our common sense and positive thinking, and we were able to influence matters that were possible to be influenced. I would like to extend my thanks to every single individual in our company for their great personal effort, attitude and determination to give their best in caring for their clients. Important thank you also goes out to our OK POINT project franchisees, who performed even better last year than before.

An enormous thank you also goes to our clients for their continued trust and preference. It is thanks to them that we feel the need to continue working towards further improvement and growth in all important aspects. I am happy that we are working for others and that our work makes sense and greatly benefits all of us.



**Petr Hrubý**

Founder and Chair of the Supervisory Board  
Broker Consulting, a. s.





“  
*Those who are only chasing after money will never catch up with it. Do you work honestly, try to do it better than your neighbour. Money will then come running to you.*

Tomáš Baťa

# 03

## BOARD OF DIRECTORS AND SUPERVISORY BOARD



**Vilém Podliska**  
Chair of the Board of Directors



**Petr Hora**  
Member of the Board of Directors



**Jan Bláha**  
Member of the Board of Directors

BOARD OF DIRECTORS



**Petr Hrubý**  
Chair of the Supervisory Board



**Jiří Brabec**  
Member of the Supervisory Board




**Renáta Pavlíčková**  
Member of the Supervisory Board

SUPERVISORY BOARD

Membership in corporate bodies as of 20. 05. 2021





**The best quality of  
money is its quality.**

Baruch Spinoza

## 04 COMPANY PROFILE

### Mission of Broker Consulting

We are financial and real estate consultants. We help people safely pursue their personal goals and make big life-changing decisions. We inspire our clients and co-operators alike to grow and become financially independent.

### Who We Are

Broker Consulting is one of the leaders on the Czech and Slovak markets of financial counselling and real estate services, providing its clients with an above-standard portfolio of financial, banking and real estate services.

Broker Consulting was established as an all-Czech company in 1998. From the very beginning, its promoters' goal was to provide professional services in the areas of financial planning, saving, annuity, financing of housing and insurance. Over the period of twenty-two years of uninterrupted growth, the small company has evolved into a self-confident, thriving and stable group of Broker Consulting companies that has expanded its portfolio by adding intermediation of banking services and the real estate sector. The real estate and banking services have steadily become more and more prominent among the services offered by Broker Consulting, primarily thanks to the synergy they bring to the clients when combined with the financial counselling services. Proof of the extraordinary success of these synergies is in the OK POINT franchise business location network, which has experienced significant growth all across the Czech Republic. As of the date of the Annual Report issue, the broader Broker Consulting group controlled by the umbrella holding company of Broker Consulting Group, S. E. comprises in particular of the following companies:

- Broker Consulting, a. s., Czech Republic
- Broker Consulting, a. s., Slovak Republic
- FinCo Services, a. s., Slovak Republic
- BC Marketing & Media, s. r. o., Slovak Republic
- Broker Consulting SICAV, a. s.
- ProCredia, a. s.
- Prodomia Group, a. s.
- MONECO, spol. s. r. o.
- MONECO Investiční společnost, a. s.
- BC Real, a. s.

**In 2020, the group's turnover exceeded the amount of CZK 2.1 billion.**

Our position on the financial market, in the field of Broker Consulting's principal business activity, is to communicate between the side of supply, which is formed by the financial institutions with their products, and the side of demand, which is formed by our clients with their needs, goals and wishes. From the side of supply we select quality financial products for our portfolio, and based on that we then help our clients find what makes sense for them in the given period according to their Financial Plan and what does not. In 2020, we co-operated with more than a hundred financial institutions in the Czech Republic and in the Slovak Republic, and thus were able to offer our clients a range of choices from over a thousand of mutual funds and several hundred insurance and banking products. When making a selection as to which products to offer, we always follow the interests of our clients while respecting their specific financial situation, their plans and needs. >>

We safely guide our clients through the complex world of personal finances and assist them even with transactions of major importance such as the purchase or sale of a real estate property. We comply with all legally prescribed prerequisites and registrations required to pursue our business activities.

**Our Branch Network and Our Clients**

Our clients can use more than one hundred offices across the entire territory of the Czech Republic and the Slovak Republic, staffed with approximately 2,000 financial consultant experts. We are continuing the effort to expand the franchise network of OK POINTs. The number of entrepreneurs expressing interest in acquiring the OK POINT franchise that provides comprehensive financial counselling, banking and real estate services has remained steady in 2020 as well.

OK POINTs represent a financial and real estate supermarket, equipped with the latest ATM machines with both withdrawal and deposit functions. People can not only obtain the unique products offered by our partner banks mBank and MONETA Money Bank here, but also profitable offers from other competing institutions. We guarantee that our clients receive professional financial, as well as real estate services and products brokered under excellent conditions. Our services are utilized by people who want to take control of their finances, do not want to incur unnecessary expenses and want to effectively reach their financial objectives, whether they are in the range of tens of thousands or tens of millions of crowns. It has become a tradition that our services also attract corporate clients, whether they are interested in products from the sphere of insurance, investments or employee benefit programmes. In 2015 and 2016, we expanded our service portfolio by banking and real estate activities, which made us capable of providing our clients with a comprehensive Financial Plan not only in terms of intangible property, but also in terms of tangible property.

**What We Offer Our Clients**

- Preparation of an individualized financial plan.
- Consulting services, intermediary services and counselling in

the field of financial and social security schemes for individuals and families.

- Assistance in selecting the method of creating financial reserves with the help of all available state funding.
- Counselling in the field of financing of housing, selection of the most optimum credit products, including setting and negotiating of credit terms and conditions with both bank houses and non-bank institutions.
- Banking services and advantageous banking products intermediation.
- Formation of social programmes with the application of tax benefits for corporate bodies and companies.
- Activities involving insurance brokering for medium and large companies.
- Investment brokering for natural persons and corporate bodies alike.
- Real estate services.

**Quality of Services**

Quality, professionalism and fair deal are the values we treasure the most in Broker Consulting. We are successful in cultivating the market and increasing the reputation of the industry of both financial and real estate services. We were the first company on the market of financial counselling to launch the institution of ethics committee with the goal of helping our clients exercise their rights in case they feel their rights have become affected.

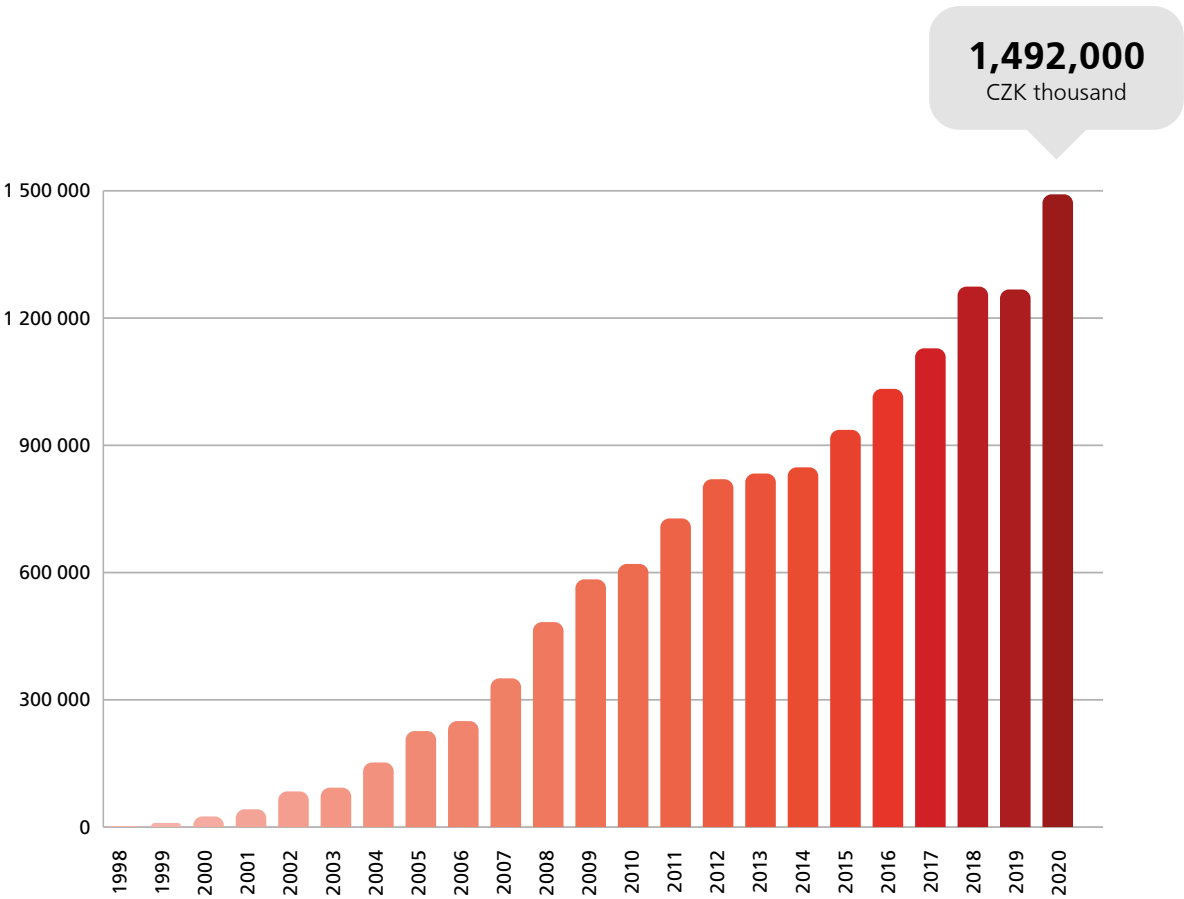
Independent test results confirm that we truly advocate for and honour the values we declare. In 2008, we were declared the winners in the category of the "Quality of the Offered Solution" in the test of services offered by financial consultants carried out by the Personal Finances professional journal (Osobní finance in Czech). In 2010, Broker Consulting was the only one of the tested financial counselling companies filmed by a hidden camera for the TV programme Black Sheep (Černé ovce in Czech) aired by the Czech Television to compare favourably and prove its quality in providing truly professional and independent financial counselling services. We consider our greatest success yet to be the absolute victory in the largest-scale independent test of financial consul-

tants organized in 2011 by the servers of měšec.cz, poradci-sobě.cz and the Financial Consultant magazine (Finanční poradce in Czech), all of them specializing in the field. No relevant testing of financial consultants took place in the following years. With that

being said, the growing popularity of our services with clients and the large numbers of positive references are a convincing sign that in the quality department we have persistently remained on the right track.

**BROKER CONSULTING, A. S.\* FINANCIAL GROUP TURNOVER GROWTH**

(Turnover from the principal business activity in thousands of CZK)



\*Organizational chart of the Broker Consulting, a. s. group can be found on page 35 of this Annual Report.



At the time of its formation in 1998, Broker Consulting belonged to the pioneers in the field of independent intermediation of financial products in the Czech Republic.

1998

- Establishment of Broker Consulting, s. r. o., with registered office at Dominikánská 9, Plzeň

2000

- Change of the company headquarters address – Edvarda Beneše 70–72, Plzeň

2003

- Annual turnover of the company exceeded the limit of CZK 100 million
- Number of clients reached 100,000

2004

- Change of the legal form to Broker Consulting, a. s.
- Change of the company headquarters address – Klatovská 7, Plzeň

2006

- Implementation of a new system of electronic data processing and calculation of commissions
- Co-founding of Union of Financial Intermediary and Consulting Companies
- Establishment of Broker Consulting, s. r. o. in Slovakia
- Change of the company headquarters address – Jiráskovo nám. 2, Plzeň
- Number of clients reached 150,000

2005

- Merger with the company of Integrated Financial Services, s. r. o.
- Annual turnover exceeded the limit of CZK 200 million
- Change of the company headquarters address – Koteřovská 1, Plzeň
- Setting up of the central office located in Prague, Průběžná 78

2007

- Annual turnover exceeded the limit of CZK 300 million

2008

- Change of the Prague central office to the address at Evropská 136
- Purchase of 100% of shares of the business company of Olymp 2002, a. s.
- Number of clients exceeded the threshold of 200,000
- Launch of the project of the creation of client centres network offering comprehensive counselling services (OK Financial Centres)

2012

- The turnover of the Broker Consulting Group exceeded the limit of CZK 800 million
- Broker Consulting launched a marketing campaign aimed primarily at the pension reform
- Merger of Broker Consulting ČR and Broker Expert

2011

- Change of the Prague central office to the address at Evropská 846/176a, Praha 6
- Broker Consulting won the first place in the largest-scale independent test of financial consultants
- Broker Consulting was at the birth of the non-governmental non-profit organization called ABC of Financial Education

2010

- Expansion of activities of the Broker Consulting Group in the CZ (the company of Broker Expert, a. s.), as well as in SK (the company of Fin Consulting, a. s.)
- On-line reality show Your Dough Is Disappearing (Mizí vám prachy) broadcasted, created with the contribution of Broker Consulting consultants
- Invited by Broker Consulting, the world renowned elite coach Brian Tracy appears in Prague

2009

- The company turnover exceeded CZK 500 million
- Launch of a new, upgraded version of the OK Financial Plan application
- Number of OK Financial Centres in the CZ reached 30

2013

- Introduction of revolutionary novelty products onto the Czech market – OK Double and OK Payment Insurance
- Implementation of a brand new loyalty bonus on the Czech market, the so called Broker Bonus
- Launch of the fourth generation OK Financial Plan application

2014

- Improvement of the options offered by the unique OK Double product by adding the Plus programme
- Expansion of career levels by adding senior positions
- Co-operation on the production of the Debt Busters TV show

2015

- Our portfolio was expanded by the addition of real estate services, offering each of our co-operators the option to expand his/her own agenda
- Opening of the first franchise concept based OK POINT business location
- Our portfolio was expanded by the addition of banking services and setting up strategic co-operation with mBank as part of the OK POINT project
- Change of the business name of Fin Consulting, a. s. to FinCo Services, a. s.
- Number of clients exceeded the threshold of 500,000

2017

- As compared to the previous year, more than double the turnover from real estate activity; the intermediated real estate sales totalled CZK 1.944 billion
- Further large investments into technology, including biometric signature and a new real estate brokerage system
- Intensive work on expanding the OK POINT network

2018

- Launch of the REX real estate system, which administers real estate listings for sale and types of properties that clients are looking to buy
- Application of the biometric signature in business routine
- Exceeding the threshold of 40 completed OK POINT branches
- Launch of the Broker Consulting SICAV, a. s. company and commencement of the OK Smart ETF investment compartment distribution
- The company of Broker Consulting Group became a 50 percent shareholder in the Brno based MONECO company

2019

- In 2019, we helped our clients safely and profitably sell their real estate properties with value of about CZK 3.5 billion
- Broker Consulting ČR intermediated credits totalling CZK 2 billion in the area of consumer credit and credit for loan and building cooperatives and associations of residential unit owners
- As of January, Broker Consulting changed its status from associate member to ordinary member of the Czech Franchise Association
- Within the concept of our OK POINT branches, our partnership expands by MONETA Money Bank

2020

- **In a year marked by the pandemic and restrictive government measures, our primary focus was to provide everyday assistance to our clients, while returning to a double-figure growth**
- **Significant acceleration of digitalization of processes and negotiating contracts with clients**





5,7

*In 2020 we helped our clients to sell the real estate totalled CZK 5.7 billion*

## PEOPLE IN BROKER CONSULTING

Broker Consulting is one of the strongest players of the financial service industry on the Czech market.

By adopting **banking** and **real estate services** it has become **unrivalled in terms of the comprehensiveness of services offered**. The company has been celebrating exceptional accomplishments in the real estate sector, and as early as in 2018 it worked its way up among the top ten real estate agencies. In 2019, it helped its clients safely and profitably sell their real estate properties with the total value of about 3.5 billion crowns, while in 2020 this value reached 5.7 billion crowns, and it was also thanks to the sales of development projects, that the company made its way into **the top 3 real estate service providers** in the Czech Republic. Promising people without previous experience in the field, as well as former employees or co-operators of other companies from the financial market sector find job and business opportunities in our company, becoming experts in the field of finances, banking, as well as real estate. Our company brings them **stable background**, its **know-how**, and especially the **opportunity for career growth**.

**Broker**<sup>®</sup>  
Consulting

## EDUCATION IN BROKER CONSULTING

The educational system for Broker Consulting co-operators is divided into four basic levels:

01

**ok** FINANČNÍ  
ABECEDA

**FINANCIAL ABC** provides the participants with elementary retraining and education in the field of financial planning, product knowledge, as well as business negotiation. Our new colleagues learn how to communicate with a client, analyze the client's financial situation and correctly prepare the Financial Plan. The online seminars of Financial ABC provide the graduates with sufficient fundamental knowledge of the legislation in force. The series of seminars are complete after the successful passing of the final test.

02

**ok** REALITNÍ  
ABECEDA

**REAL ESTATE ABC** is designed for everyone who wants to become a professional in the field of real estate. The participants gain insight into the field of real estate transactions on both theoretical and practical levels. The instructors come from the ranks of real estate experts, businessmen and lawyers. The ABC keeps in line with current legislation and is complete after the successful passing of the final REAB test. It prepares the real estate intermediaries for the skill review test, which is one of the conditions for acquiring a regulated trade license for the performance of the business activity.

03

**ok** FINANČNÍ  
AKADEMIE

The series of seminars and training sessions called **FINANCIAL ACADEMY** represents a higher level of the educational system. It is designed as a model of extension education for experienced professionals who have already gone through a range of educational activities and have acquired significant experience from everyday practice. Among other things, as part of the Financial Academy, Broker Consulting co-operators participate in seminars dedicated to practical financial mathematics, advanced investment, share trading, financial derivatives, business, communication and presentation skills, deeper product knowledge, as well as real estate services. Our consultants also regularly attend workshops aimed at personal growth. In connection with the expansion of our portfolio by real estate services, we created e-learning modules and specialized seminars. We created webinars and specialized seminars for the employees of OK POINTS.

04

**ok** MANAŽERSKÁ  
AKADEMIE

In Broker Consulting anyone with sufficient ambition for the position who is able to sustain this ambition with their outstanding professional results can become a manager. The **MANAGEMENT ACADEMY** courses are designed in a manner allowing every potential manager to gain sufficient information on how to lead a team, how to make it grow and effectively help its members reach their goals. The educational series is strongly focused on work experience and also overlaps into other related fields; those affect the process of building a strong team where people enjoy spending their time in an effective and an active manner. The Management Academy often also takes place abroad, if at all possible under the current global pandemic situation.



# 05 OUR SERVICES

## OK FINANCIAL PLAN

The Financial Plan is the absolute essence of Broker Consulting functioning, acting as the base for all of our other services. In this up-to-date and progressive service, the clients mainly appreciate the perfect strategy developed on the basis of an exact analysis of their personal situation. The Financial Plan is precisely tailored **for each individual client** and helps the client reach his or her own financial goals in a safe manner. Thanks to the professional financial intermediation, the clients may use various financial products available on the market under the most favourable conditions. The resulting solution allows the client to use financial resources efficiently and gradually proceed towards their financial freedom. According to our information, as many as 60 % of people may stop working approximately 25 years from the creation of their Financial Plan without their current standard of living being adversely affected. The Financial Plan represents the absolute top in what the field of financial services currently offers.

OK Financial Plan is particularly aimed at offering solutions for the four basic categories of family finances that comprise the following:

- OK Housing & Real Estate
- OK Annuity
- OK Saving & Investment
- OK Insurance

## REAL ESTATE SERVICES

We consider the real estate services to be an important add-on to our financial services. Thanks to them we are able to meet all of our clients' requirements.

We take pride in the top-notch quality of our comprehensive real estate service, the expertise of our consultants, we utilize advanced technology and co-operate with qualified specialists in the field, such as professional photographers and lawyers.

We are a strong and a reliable guide throughout the entire real estate transaction. Close co-operation with our clients and a detailed knowledge of their investment goals has allowed us to develop and continuously expand an enormous real estate database – listing both “for sale” and “in search of” properties – that we are able to, when the requirements match on both sides, pair adequately together. In other words, we **match clients** selling their property with clients looking to buy or rent a property. Our everyday practice makes apparent the immense advantages that come with the unique connection of “FINANCES. REAL ESTATE. TOGETHER.” Due to the fact that we are familiar with the financial situation of our clients, we are capable of very quickly screening their financial condition and determining whether or not the purchase of a real estate property is feasible. By combining financing and real estate services, we are able to **guarantee the seller a successful transaction**, while arranging **the most favourable financing option** for the buyer's purchased property.

## ok FINANČNÍ PLÁN



### ok BYDLENÍ & REALITY

**OK HOUSING & REAL ESTATE** brings solutions not only to clients planning the purchase of a property for their own use or as an investment, but also to those who already own their home. We advise our clients how to lower the payments of their existing credit, we discuss the selection of the most favourable real estate credit with them, and we help them with its subsequent arrangement with a bank or a building society.



### ok RENTA

Through **OK ANNUITY** we help our clients create sufficient financial reserve in order for them to live comfortably in retirement. It is still unclear what the future development of the pension reform will be, and therefore it is not possible to expect the state to take responsibility for its citizens insomuch as to provide them with clear guarantees that they will receive a dignified annuity in their retirement age. Therefore, to a certain degree the consultants of Broker Consulting take on the role of a guarantor in helping their clients reach their financial freedom, and as early as within a 15 to 25-year horizon from the date of the Financial Plan creation at that.



### ok SPOŘENÍ & INVESTICE

The main objective of **OK SAVING & INVESTMENT** is to ensure that our clients have effective tools for increasing their financial assets long-term. Thanks to that they also always have financial resources readily available to cover any unexpected expenses; of equal importance is also having those resources deposited safely and safeguarding them from any risk. Clients using the OK Saving service achieve an above average increase in the value of their savings compared to the current trends on the market.



### ok ZABEZPEČENÍ

With **OK INSURANCE**, we accompany our clients even throughout the unpleasant phases of life and help them in the best way possible to overcome the negative financial consequences of such situations as theft, property damage, as well as injury, illness or death of the family's main breadwinner. We evaluate the needs of our clients and thanks to the selection of quality products we find a suitable insurance policy that fits their individual needs.



# 06 MEMBERSHIP IN THE ČASF

## CZECH ASSOCIATION OF FINANCIAL COUNSELLING AND INTERMEDIARY COMPANIES (ČASF)

In June 2006, Broker Consulting became one of the founding members of the Union of Financial Intermediary and Consulting Companies (Unie společností finančního zprostředkování a poradenství- USF). In June 2018, Czech Association of Financial Counselling and Intermediary Companies (Česká asociace společností finančního poradenství a zprostředkování - ČASF) was established through the consolidation of two independent financial intermediary and counselling associations – the USF and the Association of Financial Intermediaries and Financial Advisers of the Czech Republic (Asociace finančních zprostředkovatelů a finančních poradců České republiky, AFIZ).

### Activities of ČASF Include:

- Creation of legislation and regulations in the field of financial intermediation and counselling, and subsequently providing support to the members of the association during the introduction of changes
- Activities aimed at maintaining the good reputation of the field of financial intermediation and planning
- Supervision of consistent compliance with the standards of financial counselling and intermediation by the members of the ČASF
- Protection of the consumer through the activities of the Ethical Committee

The membership in a strong and unified ČASF association creates a guarantee for our clients that any and all legislative, as well as ethical rules valid in the field of financial counselling

are being observed. The membership provides our co-operators with the certainty to always be given optimum information on legislative issues, and to work in a company that clearly declares its involvement in the quality of services. Broker Consulting co-operators are active members of committees and work sections, as well as of the Board of Directors of the ČASF, and through this association they also participate in the commentary proceedings of the Ministry of Finance of the Czech Republic and the Czech National Bank in the development of new legal regulations.

### Our ČASF Representatives for 2020 Were:



**Jiří Šindelář**  
Chair of the Board of Directors



**Martin Novák**  
Member of the Investment Section,  
Member of the Mortgage Credit Section



**Vladislav Herout**  
Member of the Insurance Section,  
Member of the Ethical Committee, Member of the Inspection Committee



**Petr Hrubý**  
Chair of the Council,  
Member of the Board of Directors



**Stanislav Šula**  
Member of the Investment Section,  
Member of the Insurance Section



**Štěpán Kulháněk**  
Member of the Investment Section,  
Member of the Insurance Section



**Jan Lener**  
Member of the Media and Marketing Committee

## ASSOCIATION OF REAL ESTATE INTERMEDIARIES

In 2020, Broker Consulting became the founding member of KORZA – the association of legal entities in the sector of real estate intermediation, with the common goal of protecting the market, the clients and the legitimate interests of its members. Jan Lener, the Director of Broker Consulting's Marketing and Communications Department was elected Chair of the Board of Directors.

**Money is a great servant  
but a bad master.**

Francis Bacon





# 07 CORPORATE SOCIAL RESPONSIBILITY



## GOOD DEEDS WITH BROKER CONSULTING

In 2005, Broker Consulting was, in co-operation with Jágr Team, s. r. o., at the foundation of the charitable unincorporated association called Good Deed (Dobrý skutek in Czech), which provides targeted aid to those who, largely due to health related complications, have found themselves in an unfortunate life situation and have become dependent on someone else's help. This includes people from different age groups, with various disabilities, and quite often also cases outside of media attention. Clients of Good Deed include minors, adults (particularly parents of children), as well as elderly people.

Anyone who decides to help those in need may select the recipient of his/her financial donation and check the flow of the donated funds in the Good Deed's transparent account. Broker Consulting, a.s. has been supporting the Good Deed association by funding its overhead expenses, providing computing technology, office space, services of the legal, marketing and economic departments, as well as by financial donations. Thanks to that, all donations are completely reallocated among the Good Deed clients. The patrons of Good Deed are Miss CR 2003 Lucie Křížková and the legendary ice hockey player Jaromír Jágr. Since its foundation up to the end of 2020, Good Deed has helped satisfy the needs of 1,860 clients with the total amount of CZK 81,945,248. The association has been extending permanent assistance to eleven clients enrolled in the Good Deed Adoption program by covering the expenses of assistance and relief services. In 2020, the assistance Good Deed provided to its clients amounted to **CZK 7,902,946**. Resources to cover this charitable activity are raised through online donations and events organized jointly with Broker Consulting.

Traditionally, Good Deed and Broker Consulting jointly organize the Charitable Golf Tournament, the Gala Evening and fund-raising races. Last but not least, some Broker Consulting co-operators and employees regularly donate one or two per cent of their earnings to Good Deed, representing an important source of funds.

For further information about Good Deed, please visit [www.dobryskutek.cz](http://www.dobryskutek.cz).



## WE HELP INCREASE FINANCIAL LITERACY

Since 2011, Broker Consulting has been supporting, both actively and financially, the activities of the nongovernmental non-profit organization of ABC of Financial Education (ABC Finančního vzdělávání in Czech), which is dedicated to bringing hands-on financial literacy education to schools and businesses. The reason behind this educational effort is the number of households and individuals who get into financial difficulties and troubles oftentimes due to insufficient knowledge and the lack of understanding when it comes to personal and family finances.

In 2020, a year greatly affected by the global pandemic, Broker Consulting co-operators donated an amount in excess of **CZK 77,000** to this non-profit organization. Since its creation, the organization received a total of CZK 2,690,980 from Broker Consulting to fund their mission to increase financial literacy, of which the amount of CZK 931,103 was donated by Broker Consulting co-operators. In 2020, ABC of Financial Education carried out one third of the usual number of educational events. When it came to the number of participants, however, this change was not apparent thanks to the shift to the online environment.

More than ever before, the FinGR Play online game featuring life and money that was developed by and has been operated by ABC of Financial Education for the past 6 years came into play. Thanks to this game, the players can virtually become trustees for a family's budget for a period of 30 years, enter the world of personal finances and test their own ability to manage money. In one week, 32 thousand games were played for prizes in the FinGR Play online game national tournament of classrooms. In 2020, we recorded 12,083 players and 65,000 games played.

For more information please visit [www.abcfv.cz](http://www.abcfv.cz) and [www.fin-grplay.cz](http://www.fin-grplay.cz).





“  
**Money is coined  
liberty.**

*Fjodor Michajlovič Dostojevskij*

08

## BUSINESS TRENDS IN 2020



**Vilém Podliska**

CEO and Chair of the Board of Directors  
Broker Consulting, a. s.

In connection with the global fight against the COVID-19 pandemic, 2020 brought substantial changes that projected even into our business practice. Within days after the shock we experienced in March, **we introduced new procedures** and implemented innovations into the business process, which helped us not only maintain, but furthermore consolidate the existing business model, and increase the quality of services we provide. We were able to adapt to the new conditions extremely fast, which enabled us to close 2020 **with an over 20% year-over-year turnover growth**. We adopted the principles of digital sales and online communication, which let us remain in close contact with our clients. We have been developing and implementing modern technological procedures long term, therefore we had a strong foundation to build on. We completed **distance arrangement** of a long list of products, we fully digitalized the process of negotiating real estate contracts. We created Jura, the virtual lawyer, who helps our co-operators in the field of real estate, and we started to utilize various online applications on a much broader scale across the entire business structure.

**Long term financial planning** still represents our primary service. We place emphasis on being a reliable guide to our clients not only in times of economic stability, but especially during times of crisis, which is when our clients need us the most. In practice, we have seen that due to the crisis people started to focus more on the creation of a financial safety net. The demand for investments, the development of which represents one of our long term priorities, has gone up as well. We respond to our clients' demand for new investment opportunities that best fit both their requirements and the new economic situation on the market. >>



That is why, in co-operation with our sister company Moneco investiční společnost, we prepared new funds utilizing ETF products, introduced them onto the market and included them in the portfolio of services we offer. The **OK Smart ETF** fund has already been administering over one billion crowns, and the **OK Smart Bond** has also been becoming increasingly more popular with clients while focusing on the more conservative investments suitable for protecting assets from inflation. The newest addition to the OK Smart fund family is the **OK Smart Opportunity** fund intended for qualified investors.

The coronavirus crisis has broadened the already wide disparity between consultants who offer a long term financial planning service and those who only specialize in intermediating select financial products. We in Broker Consulting pride ourselves in offering **comprehensive and highly professional services**. As part of the unique FINANCES. REAL ESTATE. TOGETHER. concept, we have been offering our clients both financial and real estate services for over five years. Our clients can have everything handled by one consultant, who has expert knowledge in both finances and real estate, including possessing all necessary licenses and authorizations.

During 2020, we launched the **REALITYSPOLU.cz** (real estate together in English) project, which gives real estate offices and individual brokers the opportunity to grow their business under their own brand. We were able to get a head start in adapting to changes brought about by the new Real Estate Brokerage Act in March, and we achieved 50% growth in real estate. Part of the success is owed to our **co-operation with over 100 developers** in Prague and regionally.

Currently, there are **42 OK POINT franchise business locations** across the Czech Republic supporting financial, real estate and banking services, and we have continued our efforts of adding even more locations. We are pleased that the existing OK POINTs have been experiencing growth in terms of contract production, as well as numbers of clients who use their services.

## Career

2020 was a year that clearly demonstrated that the FINANCES. REAL ESTATE. TOGETHER. concept works in any era. Many people who used to work in professions that were the hardest hit by the pandemic, linked up their new career journey with Broker Consulting. Our ranks became stronger by welcoming up to a thousand new colleagues, who value not only the excellent financial remuneration, but also the opportunity of self-fulfilment while doing meaningful work. Our priority is to provide both our co-operators and employees with the best available tools and conditions to let them professionally perform their job. We constantly enhance and perfect our educational system. Since 2019, in addition to the Financial ABC training series, our new recruits undergo the Real Estate ABC and follow-up training as well. Our co-operators are also very grateful for the support in the areas of IT, legal services, and marketing. With any questions or requirements they may have, they have the opportunity to turn to a team of analysts and real estate specialists who are ready to help them.

Looking back at the past year, I have to recognize the enormous effort our co-operators and employees put into helping our clients weather the tough times without any financial concerns. The greatest risk our sector faces is the loss of clients' trust. As financial and real estate consultants we **bring our clients security, stability and safety**. We are proud that last year we continued to deepen the trust clients place in our top-of-the-line services in the field of financing and real estate, all this while also maintaining our leading position in the market of financial intermediation.



Vilém Podliska

CEO and Chair of the Board of Directors  
Broker Consulting, a. s.



***When I was young I thought the money was the most important thing in life; now that I am old I know that it is.***

Oscar Wilde

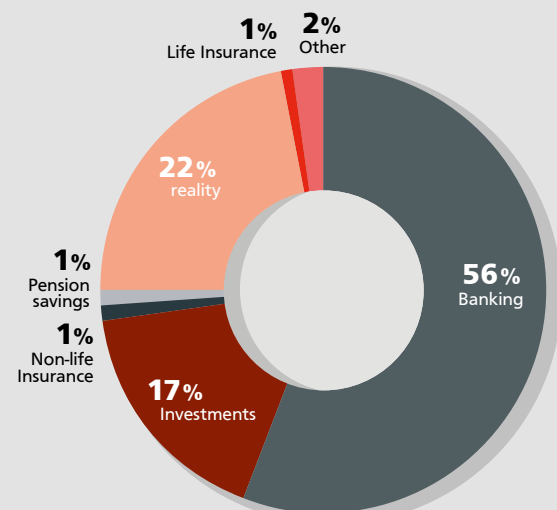
## COMPOSITION OF THE ANNUAL TURNOVER

Composition of the intermediated annual turnover of the Broker Consulting Group companies in 2020.

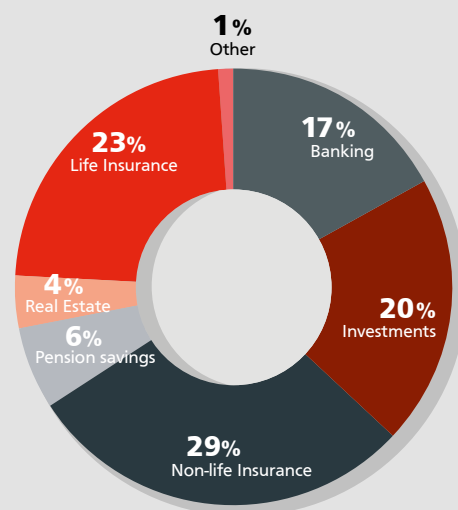


### CZECH REPUBLIC

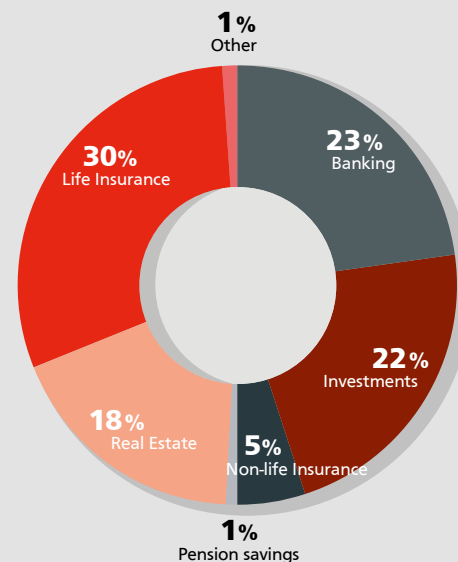
#### BASED ON VOLUME OF FINANCIAL RESOURCES\*



#### BASED ON THE NUMBER OF CONTRACTS



#### BASED ON VOLUME OF RECEIVED COMMISSIONS



#### INTERMEDIATED ANNUAL TURNOVER

Financial product	Banking	Investments	Non-life Insurance	Pension savings	Real Estate	Life Insurance	Other
financial resources*	56 %	17 %	1 %	1 %	22 %	1 %	2 %
number of contracts	17 %	20 %	29 %	6 %	4 %	23 %	1 %
received commissions	23 %	22 %	5 %	1 %	18 %	30 %	1 %

\* Based on the methodology of the Czech Association of Financial Counselling and Intermediary Companies (ČASF).  
Note: Product groups with a proportional share lower than 0.5% are rounded down and expressed as 0%.

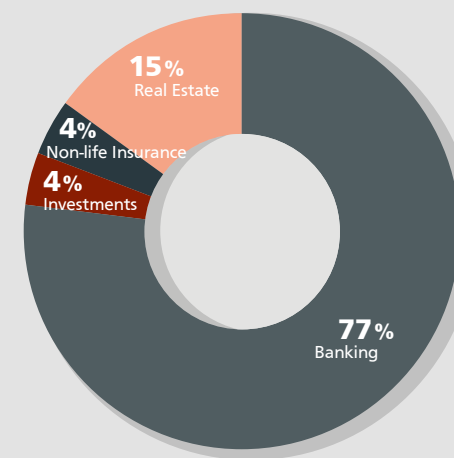
## COMPOSITION OF THE ANNUAL TURNOVER

Composition of the intermediated annual turnover of the Broker Consulting Group companies in 2020.

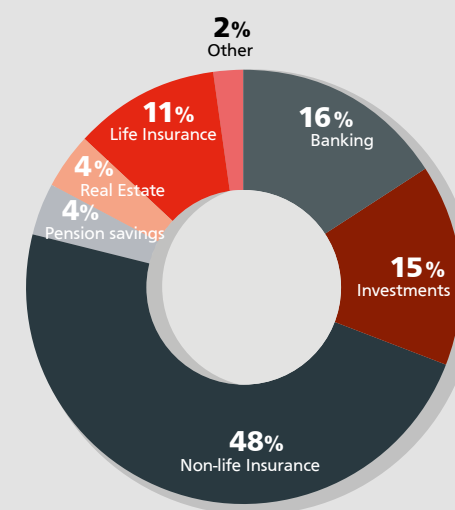


### SLOVAKIA

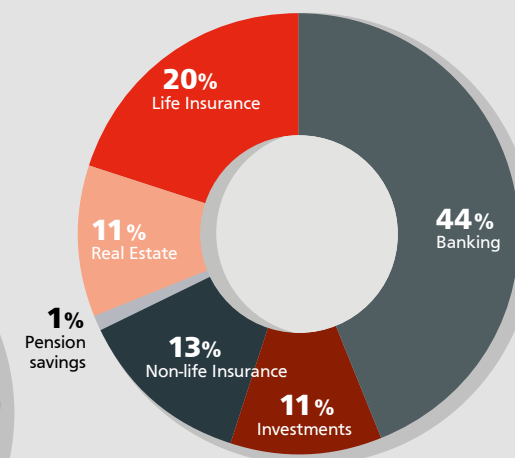
#### BASED ON VOLUME OF FINANCIAL RESOURCES\*



#### BASED ON THE NUMBER OF CONTRACTS



#### BASED ON VOLUME OF RECEIVED COMMISSIONS



#### INTERMEDIATED ANNUAL TURNOVER

Financial product	Banking	Investments	Non-life Insurance	Pension savings	Real Estate	Life Insurance	Other
financial resources*	77 %	4 %	4 %	0 %	15 %	0 %	0 %
number of contracts	16 %	15 %	48 %	4 %	4 %	11 %	2 %
received commissions	44 %	11 %	13 %	1 %	11 %	20 %	0 %

\* Based on the methodology of the Czech Association of Financial Counselling and Intermediary Companies (ČASF).  
Note: Product groups with a proportional share lower than 0.5% are rounded down and expressed as 0%.





”  
**Buy a dog. This is the  
only way to buy love  
for money.**

*George Bernard Shaw*

09

# BROKER CONSULTING CR ECONOMICS 2020

## REPORT OF THE BOARD OF DIRECTORS ON THE COMPANY BUSINESS ACTIVITIES AND THE STATE OF ITS ASSETS

In 2020, Broker Constulting, a.s. has started the twenty third year of its activities within the financial and real estate market. This year was considered really exceptional not only for our company but also for the whole country, due to worldwide viral disease COVID-19 pandemic outbreak. At the beginning of the pandemic it was very difficult to estimate future developments and potential impacts of this exceptional situation. Thus, as early as in February, the company management outlined several scenarios how to react to the situation emerged, and some measured were immediately implemented. Among many others, the company focused IT development capacities to ensure distance e-communication and fast purchase of a larger number of notebooks which the company managed to do even before a temporary lack of these goods emerged on the market. So, the possible very fast transition of a large majority of employees engaged in Plzeň and Praha to home office work with remote access to our central IT system was ensured. Simultaneously, strict anti-epidemic measures were implemented in all our workplaces. The management of the company very appreciates extraordinary efforts and dedicated attitude of all the employees and co-operators who were able to adapt very quickly to a new situation and acquired new working methods. They were also working very devotedly in all the arrangements of emergency status and under a large number of restrictive regulations declared by the Government. Many of them were hit by Covid-19 disease of different severity,

and in spite of this they were coming back to work very quickly when their state of health allowed to do so. As a result, after the declaration of emergency status by the Government, our company generated only a short-term and very mild decrease in sales activities with subsequent rapid return to an increasing trajectory the sharpness of which then significantly exceeded previous periods. Naturally, a fast growth in the production was supported also by a decrease in the value of money due to quantitative putting into circulation managed by the Czech National Bank, also due to the growth in savings kept by the population, concerns regarding inflation, which all encouraged the efforts to invest the savings appropriately. **The turnover** of Broker Consulting, a.s., **Czech Republic**, related to its main business activity, grew by CZK 221 million as compared to 2019, i.e. by 20%, to the total amount of **CZK 1,342 million**, and the turnover generated from the main business activity **including our two Slovak subsidiaries**, i.e. Broker Consulting, a. s., Slovak Republic and FinCo Services, a. s., reached the total amount of CZK **1,492 million**.

Also the overall turnover within the broader group of Broker Consulting companies was of growing tendency, whereas the companies were covered by the holding company of Broker Consulting Group, SE, comprised in particular of the following companies:

- **Broker Consulting**, a. s., Czech Republic
- **Broker Consulting**, a. s., Slovak Republic
- **FinCo Services**, a. s., Slovak Republic
- **BC Marketing & Media**, s.r.o.
- **ProCredia**, a. s.
- **Prodomia Group**, a. s. ▶▶



- **BC Properties**, a. s.
- **BC Real**, a. s.
- **MONECO investiční společnost**, a. s.
- **MONECO**, s.r.o.

where the total turnover of 2020 was amounting to **CZK 2.1 billion**.

Under difficult pandemic conditions and exceptional measures declared by the Government, we were simultaneously highly focused on the generation of economic growth, as well as on the services quality assurance in all the product segments intermediated towards our clients. Thus, any of these segments were not affected with a sharp decrease and we consider the portfolio of intermediated products optimum balanced. Its structure is shown on page 26, as of 31. 12. 2020.

A part which forms innovative projects implemented by Broker Consulting, a. s., is also the support of OK POINT franchise business network development. These OK POINTs provide our clients with three types of services at one place:

- Financial consultancy
- Banking services
- Intermediation of real estate sales, purchase and lease

Czech branch of Polish mBank S.A., a division, and significant Czech bank MONETA Money Bank, a.s. are strategic partners to each the OK POINT.

As already mentioned, the year 2020 has become in terms of Covid-19 coronavirus pandemic outbreak a real stress test also for IT and IT-related fields. Gradually, our company and the whole market realized that only the digitisation and computerisation not only in many business processes allow us to stand such a test. Thanks to this we successfully implemented the projects the initiation of which would take much more time under normal circumstances. An example in this context is a successful implementation of documents signing using an authorization SMS sent to a client's mobile phone. Also an automatic generation of contract documents was implemented into practice in terms of real estate business, which was based on all important data and parameters of specific real estate business

case, where the output is a unified contract documentation that guarantees formal and content correctness.

The obligatory contract documentation necessary when the contract is concluded with a client was simplified and computerised. The up to now records of the meeting was replaced by another type of records of such a meeting, and this can be drawn up and signed exclusively in electronic form, with an extended validity applicable to more meetings with a client, and which prevents the risk of some errors, which emerged in paper document used previously.

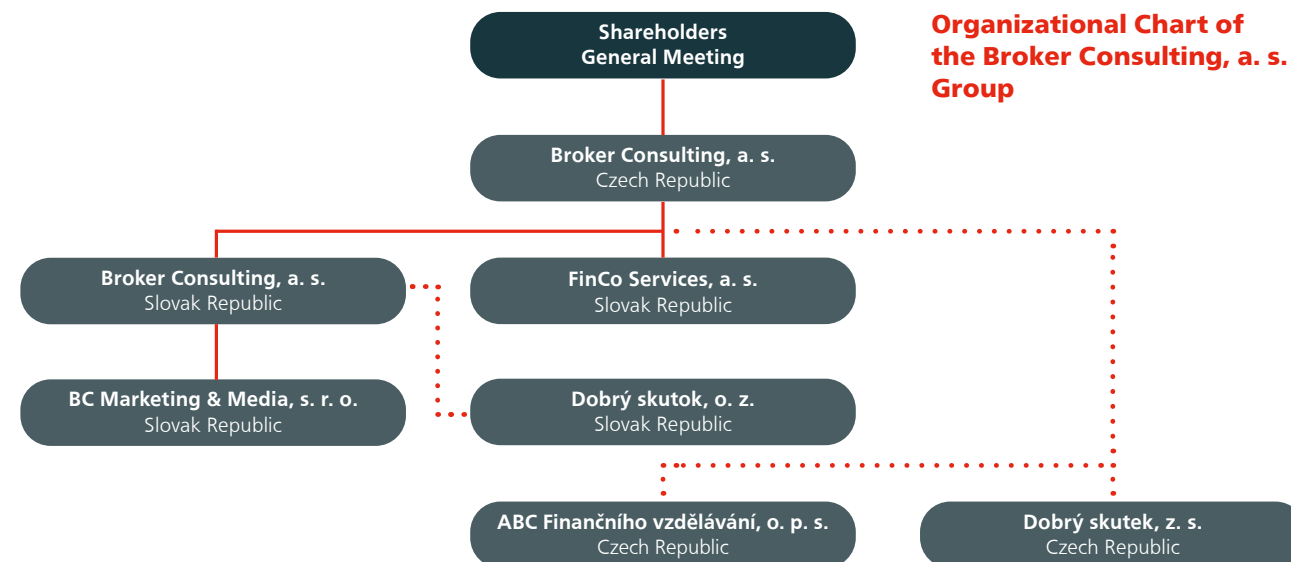
In the field of real estate services, we have launched so-called chatbot, i.e. an electronic system of automated answers to frequently asked legal and accounting questions of our co-operators. In 2021 the system will be further developed and spread to other product fields, so that our co-operators will be given prompt answer to the most frequent questions also from other fields, whenever needed.

A new form of the client portal was launched. Thus, the clients are allowed to view all their contracts and using it they can model and conclude other contracts.

To simplify the processing of documents which were drawn up in paper form, we have developed a scan app by means of which we can digitize paper documents directly in our business points offices. Scans of the documents are immediately transferred to our information system where they are also archived. Thus, the document processing time was significantly shortened, and sales managers and directors have prompt overview which documents were received by company headquarter in order to be processed, i.e. to Data Management Division.

We started to classify our existing clients, in accordance with the date of their last business case, and also in accordance with the way we can contact them. They are structured into A, B, and C class, which is a supporting tool to start working more effectively with a client group and significantly improve the quality of services provided towards our clients.

From our external contractor we took over another development of a comparative and arranging tool of the Be-online non-



Note: the dotted lines represent the relations of the activities of corporate social responsibility and sponsorship, not the capital ties.

-life insurance. This will allow us to be more responsive to the changes, and simultaneously the development and operation of specific app will be of lower cost. Our co-operators were equipped with a reporting tool, i.e. the OK Reports, which is based on the own data storage and is integrated into the Web-Diary environment. Thanks to this tool they can generate the overviews of all important business indicators whenever they want, as well as the results of the groups subordinated to them.

In terms of IT structure security, Broker Consulting a.s. has invested in 2020 in particular to a replacement of border routers at key perimeters of its infrastructure. Gradually, the original technology based on devices by Mikrotik was abandoned, and replaced by much more robust Fortigate technology by Fortinet. These devices provide us with the status firewall, an also allow us to filter the entire web operation, offer the antivirus protection based on current virus definitions, filter the junk mail, prevent us from IPS attacks (Intrusion Prevention System) and are equipped with web application firewall function. Also

the project of workstation virtualisation was initiated. The analysis of available VDI (Virtual Desktop Infrastructure) solutions on the market was carried out, and the entire solution in our company environment was tested. Based on the results of this analysis the Horizon solution by VMware company was selected. It is going to be implemented in 2021. In addition to improvements in the security enhancement which is offered by this solution automatically and which is in particular based on the data transfer from workstations to servers, this solution allows our employees fully-fledged home office work. Naturally, the measures required by the necessary reaction to Covid-19 disease pandemic caused also unexpected growth in company costs. In spite of these extremely high costs the company reached due to significant growth in production volume very good final result. In 2020, net profit of Broker Consulting, a. s. was amounted to CZK 94,664 thousand. The entire sum of CZK 94,664 thousand and a part of non-distributed profit of past periods totalled CZK 10,702 thousand shall be proposed to the General Meeting to be paid in dividends. ▶▶



**As of 31.12.2020, the holding structure of Broker Consulting, a.s., Czech Republic consisted of the following companies:**

- **Broker Consulting**, a. s., Czech Republic
- **Broker Consulting**, a. s., Slovak Republic
- **FinCo Services**, a. s., Slovak Republic
- **Broker Consulting Marketing & Media**, s. r. o., Slovak Republic

Whereas the holding company which owns the majority in other companies within the Group is Broker Consulting, a. s., Czech Republic. Next, the non-profit making organization ABC Finančního vzdělávání, o.p.s. and two charitable organisations Dobrý skutek, z. s., Czech Republic and Občianske združenie Dobrý skutok SK have close ties to four above stated organisations. These charitable organisations are significantly sponsored by the Group.

**In 2020, up to 30. 03. 2020, the Board of Directors of Broker Consulting, a. s., Czech Republic, was structured as follows:**

- **Vilém Podliska** – Chair of the Board of Directors
- **Ivana Čmovšová** – Member of the Board of Directors
- **Petr Hora** – Member of the Board of Directors

The membership of Mrs. Ivana Čmovšová in company Board of Directors was terminated in accordance with statutes on 03. 03. 2020, which was based on her resignation presented on 03. 02. 2020.

**From 03. 03. 2020 to 01. 06. 2020 the Board of Directors of Broker Consulting, a.s. was structured as two-man body as follows:**

- **Vilém Podliska** – Chair of the Board of Directors
- **Petr Hora** – Member of the Board of Directors

In relation to the resignation of Mrs. Ivana Čmovšová the structure of company divisions was changed to follow the need to ensure all the activities which were directly managed by her as she held the position of the Board of Directors member. These activities were partially taken over by the remaining

Board of Directors members, and the other part was assumed by Jan Bláha who was appointed director of a newly structured IT and Data Management Division. Subsequently, Jan Bláha was appointed by the Supervisory Board as a member of the Board of Directors.

**Since 01. 06. 2020 the Board of Directors of Broker Consulting, a.s. has been structured as follows:**

- **Vilém Podliska** – Chair of the Board of Directors
- **Jan Bláha** – Member of the Board of Directors
- **Petr Hora** – Member of the Board of Directors

**Up to 20th April 2020 was the Supervisory Board of Broker Consulting, a. s., Czech Republic structured as follows:**

- **Petr Hrubý** – Chair of the Supervisory Board
- **Jiří Brabec** – Member of of the Supervisory Board
- **Martin Hrubý** – Member of of the Supervisory Board

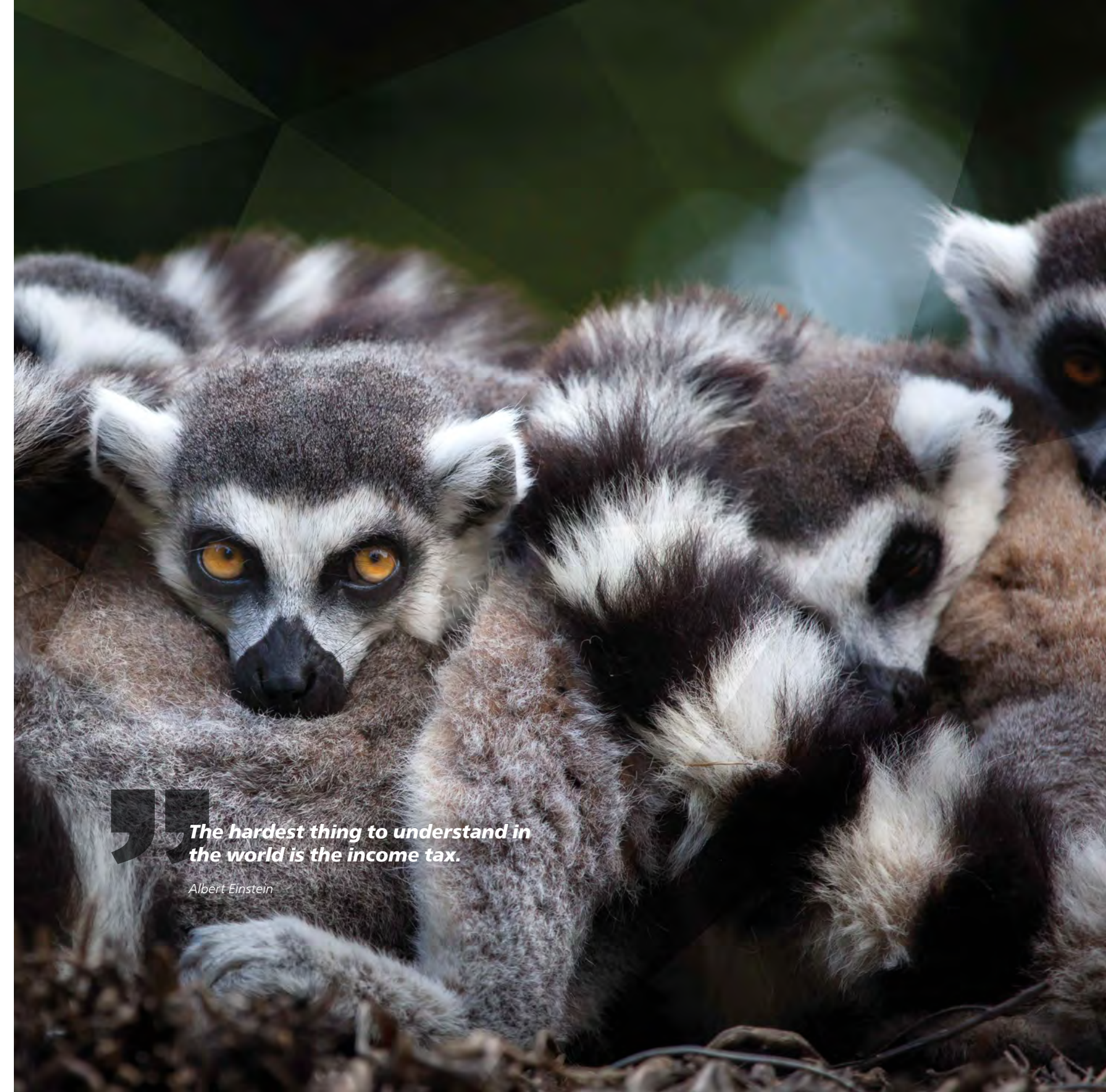
General Meeting of the company Broker Consulting, a.s., Czech Republic, which held on 20th June 2020, removed Martin Hrubý - a Supervisory Board member - upon his request for his position termination, and as a new Supervisory Board member was appointed Renáta Pavlíčková.

**Since 20. 04. 2020 the Supervisory Board is structured as follows:**

- **Petr Hrubý** – Chair of the Supervisory Board
- **Jiří Brabec** – Member of the Supervisory Board
- **Renáta Pavlíčková** – Member of the Supervisory Board

The company is structured into four divisions, and three of them are directly managed by individual members of the Board of Directors, and one is managed by a division director appointed by the Board of Directors.

Organizational chart of the company Broker Consulting, a. s., Czech Republic, valid as of the Annual Report publishing date is stated on page 38 hereof. ▶▶

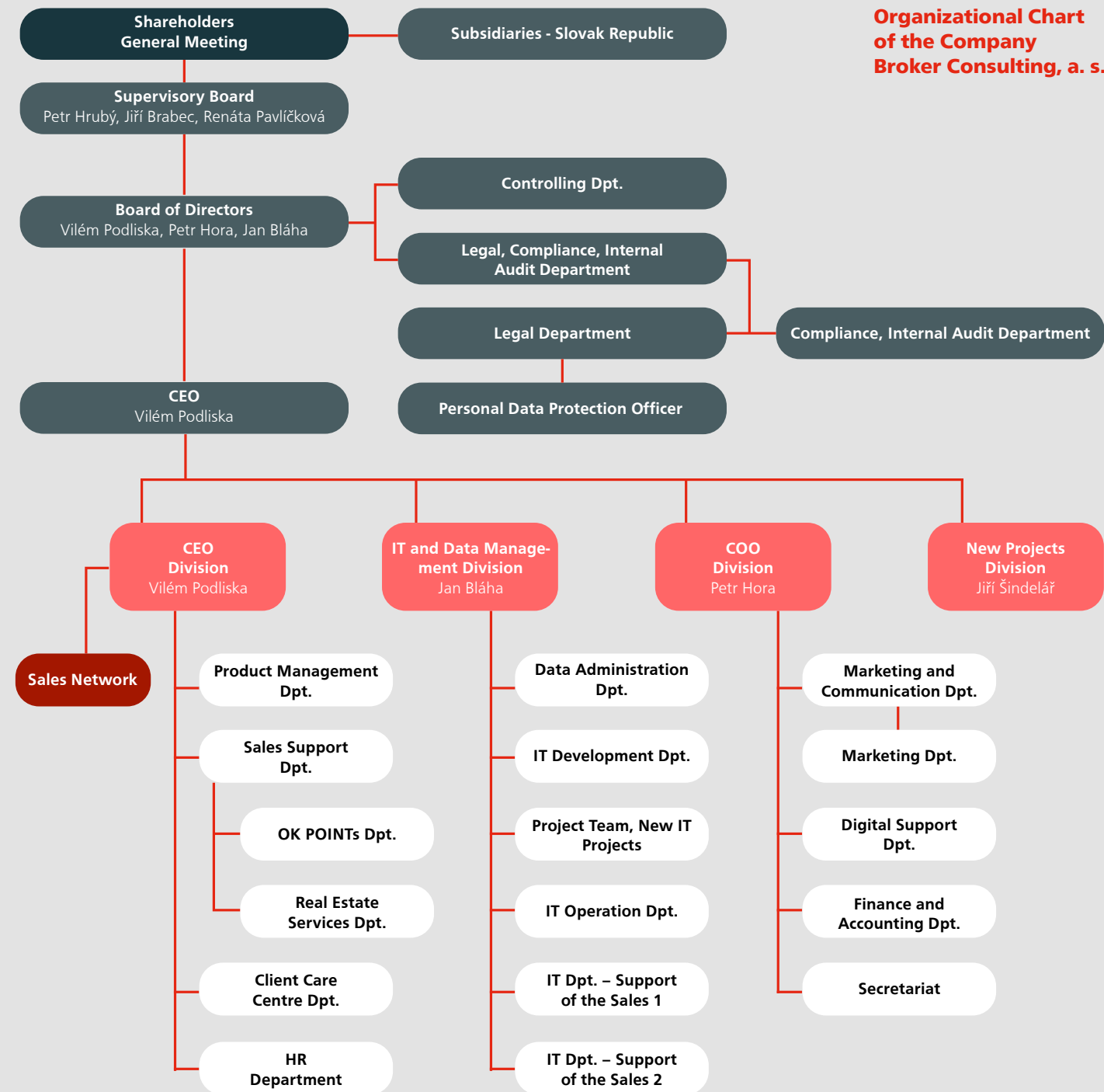


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**The hardest thing to understand in the world is the income tax.**

*Albert Einstein*





## ANNEX TO THE FINANCIAL STATEMENT, AS OF 31. 12. 2020

### 1 | COMPANY DETAILS

#### Business Firm Name and Registered Office:

Broker Consulting, a. s., Jiráskovo nám. 2, 326 00 Plzeň

#### Legal Form:

Joint Stock Company

#### ID No.

25221736

Business firm has been entered in the Commercial Register at the Regional Court in Plzeň under file reference B 1121.

#### Principal Subject of Activities:

- Investment intermediary
- Independent intermediary under the Act on Insurance and Reinsurance Distribution
- Independent intermediary under the Act on Supplementary Pension Savings
- Independent consumer credit intermediary
- Real estate agency
- Production, trade and services not specified in Schedules 1 through 3 to the Trade License Act

#### Date of Company Incorporation:

21. 05. 1998

#### Balance Sheet Date:

31. 12. 2020

#### Commercial Register:

As of 31.12.2020, the sum of registered capital of the business firm (hereinafter referred to as the "company") was amounting to CZK 100,910,448. Up to 30.07.2020 the registered capital was divided into 1,245,808 pcs of ordinary shares, each having the nominal value of CZK 81. Since 31.07.2020 the registered capital was divided into 1,227,121 pcs of ordinary registered shares in certificated form, each having the nominal value of CZK 81, and into 18,687 pcs of preference registered shares the rights of which are specified in the company statutes.

#### Shares:

Since 2010, the company has held the share in Broker Consulting, a.s. of the registered office at Pribinova 25, Bratislava, Slovak Republic, ID No. 36651419. Company principal subject of activities is insurance agent, insurance broker and investment intermediary, real estate. As of 31.12.2020 the company registered capital was amounting to EUR 33,190.

Since 2017 the company has held the share in FinCo Services, a. s. of the registered office at Pribinova 25, Bratislava, Slovak Republic, ID No. 35848979. Company principal subject of activities is insurance agent, insurance broker and investment intermediary, real estate. As of 31. 12. 2020 the company registered capital was amounting to EUR 398,400.

As of 31.12.2020 the company revalued these shares at fair-trade price using the equivalence method. On this date the balance sheet has shown the share held in Broker Consulting, a. s., SR of CZK 2,648 thousand, and the share held in FinCo Services, a.s. of CZK 6,339 thousand.

### 2 | KEY ACCOUNTING PROCEDURES USED WITHIN THE COMPANY

The present financial statements were prepared in compliance with the Act No. 563/1991 Coll., on accounting (hereinafter referred to as the Act on accounting) and with the Decree of the Ministry of Finance No. 500/2002 Coll. which implements some provisions of the Act on accounting, for business entities that are the entrepreneurs that keep their records by the double-entry accounting system, as applicable for the year 2020 and 2019.

#### A. Long-Term Intangible Assets

Long-term intangible assets are valued in their acquisition cost comprising the purchase price and purchase-related costs.

Long-term intangible assets up to CZK 60 thousand are accounted directly to costs. Long-term intangible assets exceeding CZK 60 thousand are depreciated in compliance with the provision of the Act on Accounting and the Income Tax Act. >>



### B. Long-Term Tangible Assets

Long-term tangible assets over CZK 40 thousand are valued in acquisition cost comprising the purchase price and purchase-related costs. Their acquisition cost is increased by technical appraisal. Long-term tangible assets are, in terms of tax, depreciated linearly, the accounting depreciations are equalized for the period of supposed use of the assets. Long-term tangible assets up to CZK 20 thousand are accounted directly to costs. Long-term tangible assets exceeding CZK 20 thousand are valued in acquisition costs comprising the purchase price and purchase-related costs. The equalized depreciation method is used for the period of 24 months. Repairs and maintenance are accounted to costs. Long-term tangible assets are depreciated in accordance with the depreciation schedule of the accounting entity.

### C. Financial Assets

Short-term financial assets consist of valuables, cash and cash in bank accounts. Long-term financial assets consist of ownership interests and profit participation certificates. Ownership interests of decisive influence and significant influence shall be valued at acquisition price. Annually, as for 31.12., these assets shall be revalued at fair-trade price.

### D. Inventory

The merchandise is valued in purchase prices. The acquisition price consists of the purchase price and purchase-related costs. The merchandise deduced from the books is valued by the method of weighted arithmetic average.

### E. Receivables

Receivables are valued in their nominal values. The value of past due receivables shall be lowered using adjustments to receivables accounted as minus value into the costs, whereas the value is amounted to their exercise or repurchase value.

### F. External Resources

Long-term and short-term liabilities are reported in nominal values.

### G. Foreign Exchange Operations

Assets and liabilities acquired in foreign currencies are appraised in Czech Crowns applying the exchange rate declared by the Czech National Bank as on the date of the accounting operation. Executed and not executed foreign exchange operations, i.e. exchange gains and losses, are accounted in current period expenses or revenues.

### H. Income Tax

Income tax expense is calculated using the applicable tax rate from the accounting profit increased or lowered by permanently or temporarily non-tax-deductible costs and untaxed revenues (e.g. newly entered and clearing of other reserves and adjustments, representation costs, remuneration for the members of statutory bodies).

### I. Donations

In the 2020 accounting period the company donated a total of CZK 1,427 thousand.

## 3 | LONG-TERM ASSETS

### A. Long-term Intangible Assets (in CZK thousand)

ACQUISITION COST				
	Initial status	Increment	Decrement	Final status
Software	28 794	7 662	0	36 456
Trade marks	66 473	0	0	66 473
Other low value intg.	23 441	910	4	24 347
Intg. assets in progress	3 849	7 794	10 533	1 110
Prov. advance payments	0	0	0	0
<b>Total 2020</b>	<b>122 557</b>	<b>16 366</b>	<b>10 537</b>	<b>128 386</b>

### ACCUMULATED AMORTIZATION

	Initial status	Increment	Decrement	Final status
Software	19 098	6 162	0	25 260
Trade marks	23 130	496	0	23 626
Other low value intg.	13 162	6 096	4	19 254
<b>Total 2020</b>	<b>55 390</b>	<b>12 754</b>	<b>4</b>	<b>68 140</b>

### B. Long-term Tangible Assets (in CZK thousand)

#### ACQUISITION COST

	Initial status	Increment	Decrement	Final status
Buildings, halls, constructions	46 269	178	4 713	41 734
Individual movable assets	44 347	4 146	174	48 319
Tangible assets in progress	180	0	180	0
Provided advance payments for assets	0	0	0	0
<b>Total 2020</b>	<b>90 796</b>	<b>4 324</b>	<b>5 067</b>	<b>90 053</b>

#### ACCUMULATED AMORTIZATION

	Initial status	Increment	Decrement	Final status
Buildings, halls, constructions	17 661	10 038	4 713	22 986
Individual movable assets	33 318	7 112	174	40 256
<b>Total 2020</b>	<b>50 979</b>	<b>17 150</b>	<b>4 887</b>	<b>63 242</b>

In 2020, other long-term tangible assets were reported in line Individual movable assets together, against previous periods.

### C. Financial Assets (in CZK thousand)

#### VALUATION OF THE EQUIVALENCE PARTICIPATIONS

	Initial status	Revaluati-on 2020	Final status
Participation in BC SR	2 534	294	2 648
Participation in FinCo	5 803	536	6 339
<b>Total 2020</b>	<b>8 157</b>	<b>830</b>	<b>8 987</b>

#### BOND FUNDS

	Initial status	Acquisition 2020	Revaluati-on 2020	Final status
Bond funds	50 205	100 000	2 413	152 618
<b>Total 2020</b>	<b>50 205</b>	<b>100 000</b>	<b>2 413</b>	<b>152 618</b>

## 4 | RECEIVABLES

Adjustments to outstanding receivables were in 2020 created upon individual assessment of overdue receivables.

Adjustments to receivables express their temporary nominal

value decrease. Legally required adjustments are created in accordance with the Act on Reserves.

#### CHANGES IN THE ACCOUNTS OF ADJUSTMENTS TO RECEIVABLES (IN CZK THOUSAND)

	Balance as of 01.01.2020	Newly ente-red adj. to receivables	Clearing of adj. to receivable	Balance as of 31.12.2020
<b>Adj. to receivables</b>	<b>12 201</b>	<b>4 772</b>	<b>3 064</b>	<b>13 909</b>

## 5 | CASH IN BANKS

The item Cash in banks refers to CZK 630,939 thousand, which includes the funds amounting to CZK 516,221 thousand in so-called deposit accounts, under the Act on Real Estate Brokerage. The funds in the deposit accounts belong to the clients.

## 6 | EXTERNAL RESOURCES

From the total sum of external resources as on 31. 12. 2020 at the amount of CZK 1,075,766 thousand, the most significant part is formed with trade liabilities of long-term due date, i.e. exceeding 12 months, the sum is amounting to CZK 305,574 thousand, and the short-term liabilities are valued at CZK 707,903 thousand.

As on 31.12.2020 the company has not sourced any bank loans. The Company accounted a reserve for corporate income tax in the amount of CZK 27,398 thousand in its accounts referring to estimated income tax 2020. The reason for the accounting of this reserve is that the accounting entity compiles its financial statement prior to the ordinary tax return compilation. The reserve for corporate income tax is reported in the balance sheet as the item compensated by paid income tax advances (in 2020 were paid advance corporate income tax at the amount of CZK 7,959 thousand). In 2019 and 2020 were not reported any deferred tax asset due to precautionary reasons.

## 7 | REVENUES

Revenues in CZK thousand	Total 2020	Total 2019
<b>Merchandise</b>	<b>1 854</b>	<b>1 943</b>
<b>Services</b>	<b>1 341 833</b>	<b>1 120 601</b>



## 8| BANK GUARANTEE

UniCredit Bank ČR a.s. has provided our company with bank guarantees amounting in total to CZK 2,798,806.

## 9| EMPLOYEES

In 2020, the average recalculated number of company employees was 118.02 (115.79 employees in 2019). In 2020, total sum of personal costs paid for employees was amounting to CZK 94,002 thousand. From the total number of employees of 2020 there were 21 managers, whereas the personal costs of these employees were amounted to CZK 34,860 thousand.

## 10| CONSOLIDATION

The company has been consolidated. Broker Consulting Group, SE is the consolidating company. Consolidated financial statements shall be kept at the address of the consolidating company, i.e. at Jiráskovo nám. 2, 326 00 Plzeň.

## 11| PROPOSAL FOR PROFIT DISTRIBUTION

In 2020, the Board of Directors decided to pay the share-in-profits advance payment related to preference shares. Thus, CZK 10 million was paid in the period 3-12/2020. The whole company profit of CZK 94,664 thousand, and a part of retained earnings of previous periods of CZK 10,702 thousand were proposed by the Board of Directors to be paid off in the form of dividends, namely CZK 14,559 thousand shall go to preference shares and CZK 90,807 thousand to ordinary shares (CZK 74. - per each the share). The preference shares shall be charged against the already paid advances.

## 12| THE GLOBAL PANDEMIC

The year 2020 was the year of global outbreak of COVID-19 virus pandemic. During first months of 2020 the virus has spread around the world and many countries were affected negatively. The Board of Directors and the Supervisory Board of our company reacted very quickly on the situation emerged, and even before the emergency status was declared by the Government, these company bodies implemented a number

of measures not only to reduce the risk of spread of disease among the employees (home-office, disinfectants and face masks at the workplace, home quarantine for employees who came back from abroad, etc.), but also to ensure the operation and all company business activities performance (in particular the implementation of modern e-communications within the company, as well as with company clients). Strict anti-epidemic measures are followed by the company to this date. The situation is continuously being monitored with care by company management which is ready to react to a new situation adequately, if needed. The company has also created sufficient financial reserves. The Board of Directors and the Supervisory Board of our company are convinced the potential impact of COVID-19 is unlikely to have significant effects for the assumption of unlimited duration of the undertaking. Considering this fact the financial statements of 31. 12. 2020 were prepared supposing the Company will be able to continue its activities.

Drawn up on: 11. 05. 2021

**Vilém Podliska**  
Chair of the Board of Directors

**Petr Hora**  
Member of the Board of Directors

**Jan Bláha**  
Member of the Board of Directors

**Only hands are able to  
build up a house. Home  
by heart only.**

*Petr Casanova*



PROFIT AND LOSS STATEMENT

Text		Line No.	Accounting period status	
			Current	Previous
I.	Revenues from sales of own products and services	01	1 341 833	1 120 601
II.	Revenues from merchandise sold	02	1 854	1 943
A.	Consumption sum (Lines: 04 + 05 + 06)	03	1 088 957	951 787
1.	Cost of merchandise sold	04	1 587	1 598
2.	Material and energy consumed	05	6 180	7 080
3.	Services	06	1 081 190	943 109
D.	Personal costs (Lines: 10 + 11)	09	94 002	105 486
1.	Wages and salaries	10	68 534	78 331
2.	Social security and health insurance expenses, other costs (Lines: 12 + 13)	11	25 468	27 155
2. 1	Social security and health insurance costs	12	22 302	22 810
2. 2	Other costs	13	3 166	4 345
E.	Value adjustments related to operation (Lines: 15 + 18 + 19)	14	29 264	28 899
1.	Value adjustments related to long-term intangible and tangible assets (Lines: 16 + 17)	15	27 557	27 128
1. 1	Value adjustments related to long-term intangible and tangible assets – of permanent nature	16	27 557	27 128
3.	Value adjustments in receivables	19	1 707	1 771
III.	Other operation revenues (Lines: 21 + 22 + 23)	20	13 410	10 112
III. 1	Sales from long-term assets sold	21	2 119	1 677
3	Other operation revenues	23	11 291	8 435
F.	Other operating expenses (Lines: 25 to 29)	24	30 352	11 872
1.	Net book value of disposed long-term assets	25	2 346	1 420
3.	Taxes and fees	27	614	680
4.	Reserves in operating field, comprehensive expenses of future periods	28	211	-3 373
5.	Other operating expenses	29	27 181	13 145
*	Operating income/loss (+/-) (Lines: 01 + 02 - 03 - 07 - 08 - 09 - 14 + 20 - 24)	30	114 522	34 612
IV.	Income from long-term financial assets - interests (Lines: 32 + 33)	31	244	2 749
IV. 1	Revenues from shares – controlled or controlling entities	32	244	2 749
VI.	Interests received and similar revenues (Lines: 40 + 41)	39	5 556	7 494
VI. 1	Interests received and similar revenues – controlled and controlling entities	40	110	0
2	Other interests received and similar revenues	41	5 446	7 494
J	Interests paid and similar expenses (Lines: 44 + 45)	43	0	4
2.	Other interests paid and similar expenses	45	0	4
VII.	Other financial revenues	46	2 673	293
K	Other financial expenses	47	847	1 023

PROFIT AND LOSS STATEMENT

Text		Line No.	Accounting period status	
			Current	Previous
*	Income/loss from financial operations ( +/- ) (Lines: 31 - 34 + 35 - 38 + 39 - 42 - 43 +46 - 47)	48	7 626	9 509
**	Net income before tax (+/-) (Lines: 30 + 48)	49	122 148	44 121
L.	Income tax (Line: 51 + 52)	50	27 484	12 538
1.	Income tax - due	51	27 484	12 538
**	Net income after tax ( +/- ) (Lines: 49 - 50)	53	94 664	31 583
***	Net income/loss for the accounting period (+/-) (Lines: 53 - 54)	55	94 664	31 583
*	Net turnover for the accounting period = I. + II. + III. + IV. + V. + VI. + VII	56	1 365 570	1 143 192

BALANCE SHEET

ASSETS		Line	Current Accounting Period			Previous
			Gross	Correction	Net	Net
	TOTAL ASSETS (Lines: 02 + 03 + 37 + 78)	001	1 431 414	-145 291	1 286 123	858 251
B.	Long-term assets (Lines: 04 + 14 + 27)	003	380 044	-131 382	248 662	165 346
B. I.	Long-term intangible assets (Lines: 05 + 06 + 09 to 11)	004	128 386	-68 140	60 246	67 167
2	Valuable rights (Lines: 07 + 08)	006	102 929	-48 886	54 043	53 039
2.1	Software	007	36 456	-25 260	11 196	9 696
2.2	Other valuable rights	008	66 473	-23 626	42 847	43 343
4	Other long-term intangible assets	010	24 347	-19 254	5 093	10 279
5	Provided advance payments for long-term intangible assets and long-term intangible assets in progress (Lines: 12 + 13)	011	1 110	0	1 110	3 849
5.2	Long-term intangible assets in progress	013	1 110	0	1 110	3 849
B. II.	Long-term tangible assets (Lines: 15 + 18 to 20 +24)	014	90 053	-63 242	26 811	39 817
B. II. 1	Land and structures (Lines: 16 + 17)	015	41 734	-22 986	18 748	28 608
1.2	Structures	017	41 734	-22 986	18 748	28 608
2	Items of tangible assets and their groups	018	48 319	-40 256	8 063	11 029
5	Provided advance payments for long-term tangible assets and long-term tangible assets in progress (Lines: 25 + 26)	024	0	0	0	180
5.2	Long-term tangible assets in progress	026	0	0	0	180
B III.	Long-term financial assets (Lines: 28 to 34)	027	161 605	0	161 605	58 362
B. III. 1	Interests – controlled and controlling entities	028	8 987	0	8 987	8 157
5	Other long-term securities and entities	032	152 618	0	152 618	50 205
C.	Current assets (Lines: 38 + 46 + 68 + 71)	037	1 044 830	-13 909	1 030 921	686 391
C. I.	Inventory (Lines: 39 + 40 + 41 + 44 + 45)	038	3 643	0	3 643	2 734
3	Products and merchandise (Lines: 42 + 43)	041	3 643	0	3 643	2 734



BALANCE SHEET

ASSETS		Line	Current Accounting Period			Previous
			Gross	Correction	Net	Net
3.2	Merchandise	043	3 643	0	3 643	2 734
C. II.	<b>Receivables (Lines: 47 + 57 + 68)</b>	046	<b>409 414</b>	<b>-13 909</b>	<b>395 505</b>	<b>281 234</b>
C. II.	1 Long-term receivables (Lines: 48 to 52)	047	197 900	0	197 900	119 000
	1.2 Receivables - controlled or controlling entity	049	118 500	0	118 500	0
	1.5 Receivables - other (Lines: 53 to 56)	052	79 400	0	79 400	119 000
	1.5 Other receivables	056	79 400	0	79 400	119 000
C. II.	2 Short-term receivables (Lines: 58 to 61)	057	211 514	-13 909	197 605	162 234
	2.1 Trade receivables	058	191 022	-13 085	177 937	131 816
	2.2 Receivables – controlled or controlling entity	059	2 069	0	2 069	7 914
	2.4 Receivables - other (Lines: 62 to 67)	061	18 423	-824	17 599	22 504
	2.4 State – tax receivables	064	1	0	1	0
	2.4 Short-term advances paid	065	11 024	-824	10 200	10 712
	2.4 Accruals - the assets	066	3 292	0	3 292	6 021
	2.4 Other receivables	067	4 106	0	4 106	5 771
C. IV.	<b>Financial assets (Lines: 76 + 77)</b>	075	<b>631 773</b>	<b>0</b>	<b>631 773</b>	<b>402 423</b>
C. IV.	1 Cash (on hand)	076	834	0	834	596
	2 Cash, i.e. funds in banks	077	630 939	0	630 939	401 827
D	<b>Accruals on assets (Lines: 79 to 81)</b>	078	<b>6 540</b>	<b>0</b>	<b>6 540</b>	<b>6 514</b>
D	1 Pre-paid expenses	079	6 540	0	6 540	6 514

BALANCE SHEET

LIABILITIES		Line	Current acc.	Previous acc.
			period	period
	<b>TOTAL LIABILITIES (Lines: 83 + 104 + 147)</b>	082	<b>1 286 123</b>	<b>858 251</b>
A.	<b>Equity (Lines: 84 + 88 + 96 + 99 + 102 - 103)</b>	083	<b>210 357</b>	<b>156 009</b>
A. I.	<b>Registered capital (Lines: 85 to 87)</b>	084	<b>100 910</b>	<b>100 910</b>
	1 Registered capital	085	100 910	100 910
A. II.	<b>Share premium and capital funds (Lines: 89 + 90)</b>	088	<b>1 600</b>	<b>770</b>
A. II.	1 Share premium	089	1	1
	2 Capital funds (Lines: 91 to 95)	090	1 599	769
	2.2 Asset and liability revaluation differences (+/-)	092	1 599	769
A. III.	<b>Reserves from the profit (Lines: 97 + 98)</b>	096	<b>12 181</b>	<b>12 181</b>
A. III.	1 Other reserves	097	12 181	12 181
A. IV.	<b>Prior period income (+/-) (Lines: 100 to 101)</b>	099	<b>11 002</b>	<b>10 565</b>

BALANCE SHEET

LIABILITIES		Line	Current acc.	Previous acc.
			period	period
A. IV.	1 Prior period retained earnings or loss (+/-)	100	11 002	10 565
A. V.	<b>Current period profit/loss (+/-) / Lines: 01 - (+ 84 + 88 + 96 + 99 – 103 + 104 +144) /</b>	102	<b>94 664</b>	<b>31 583</b>
A. VI.	<b>Adopted decision on share in profit advances to be paid (-)</b>	103	<b>-10 000</b>	<b>0</b>
B.+C.	<b>External resources (Lines: 105 + 110)</b>	104	<b>1 075 766</b>	<b>702 242</b>
B.	<b>Reserves (Lines: 106 to 109)</b>	105	<b>480</b>	<b>269</b>
	4 Other reserves	109	480	269
C.	<b>Liabilities (Lines: 111 + 126 + 144)</b>	110	<b>1 075 286</b>	<b>701 973</b>
C. I.	Long-term liabilities (Lines: 112 + 115 to 122)	111	305 574	231 346
	4 Trade liabilities	117	305 574	231 346
C. II.	Short-term liabilities (Lines: 127 + 130 to 136)	126	769 712	470 627
	3 Short-term advances received	131	14 455	22 588
	4 Trade liabilities	132	707 903	414 971
	8 Liabilities – other (Lines: 137 to 143)	136	47 354	33 068
	8.1 Payables to partners	137	850	0
	8.3 Payroll payable	139	4 976	5 232
	8.4 Social security and health insurance liabilities	140	2 797	2 756
	8.5 State – tax liabilities and subsidies	141	22 930	11 713
	8.6 Accrued liabilities	142	15 720	13 299
	8.7 Other liabilities	143	81	68

STATEMENT ON CHANGES IN EQUITY

	Initial status	Increments	Decrements	Final status
Registered capital entered in the Commercial Register	100 910	0	0	100 910
Registered capital not entered in the Commercial Register	0	0	0	0
Sum A +/- B	100 910	0	0	100 910
Own shares and own business shares	0	0	0	0
Sum A +/- B +/- D	100 910	0	0	100 910
Share premium	1	0	0	1
Reserve	12 181	0	0	12 181
Other reserves from profit	0	0	0	0
Capital funds	769	830	0	1 599
Revaluation differences not included to final result	0	0	0	0
Adopted decision on share in profit advances to be paid	0	-10 000	0	-10 000



STATEMENT ON CHANGES IN EQUITY

	Initial status	Increments	Decrements	Final status
Profit/loss of previous acc. periods	10 565	437	0	11 002
Profit/loss of current acc. period, after tax	31 583	94 664	31 583	94 664
Total	156 009	85 931	31 583	210 357

CASH FLOW STATEMENT

ID	Text	Accounting period status	
		Current	Previous
P.	Opening balance of cash and cash equivalents	402 423	351 229
	Cash flow from the main activities (operating activities)		
Z.	Accounting profit or loss before tax	122 148	44 121
A. 1	Adjustments by non-cash operations	23 237	15 031
A. 1 1	Depreciation of fixed assets and amortisation of an adjusting entry item related to the assets acquired	27 557	27 128
A. 1 2	Change in adjusting entries, reserves	1 707	-1 601
A. 1 3	Profit from fixed assets sold	-227	-257
A. 1 4	Revenues from profit-sharing	-244	-2 749
A. 1 5	Cleared interests paid, except for the interests involved to the valuation of long-term assets and cleared interests received	-5 556	-7 490
A. 1 6	Eventual corrections by other non-cash operations	0	0
A. *	Net cash flow from operating activities before tax and changes in working capital	145 385	59 152
A. 2	Change in non-cash items of working capital	223 998	18 479
A. 2 1	Change in receivables from operating activities, transitory asset accounts	-38 083	-54 864
A. 2 2	Change in short-term liabilities from operating activities, transitory liability accounts	365 403	122 998
A. 2 3	Change in inventory	-909	345
A. 2 4	Change in short-term financial assets not involved in cash and cash equivalents	-102 413	-50 000
A. **	Net cash flow from operating activities before tax	369 383	77 631
A. 3	Interests paid out, except for the interests involved to the valuation of long-term assets	0	-4
A. 4	Interests received	4 586	3 727
A. 5	Income tax paid and tax debt to be paid for previous periods	-18 015	-2 417
A. 6	Profit shares received	244	0
A. ***	Net cash flow from operating activities	356 198	78 937
	Cash flow from investment activities		
B. 1	Expenditures related to the acquirement of fixed assets	-12 270	-16 798
B. 2	Revenues from fixed assets sold	2 118	1 470
B. 3	Loans and credits provided to related entities or persons	-76 401	42

CASH FLOW STATEMENT

ID	Text	Accounting period status	
		Current	Previous
B. ***	Net cash flow related to investment activities	-86 553	-15 286
	Cash flow from financial activities		
C. 1	Effect of changes in long-term or short-term liabilities	0	0
C. 2	Effect of changes in equity on cash and cash equivalents	-40 295	-12 458
C. 2 1	Increase in cash due to increased equity, share premium and revenue reserves	0	0
C. 2 2	Paid out shares in equity to the partners	-9 150	0
C. 2 3	Other cash deposits from the partners and shareholders	0	0
C. 2 4	Loss covered by the partners	0	0
C. 2 5	Direct payments from reserves	0	0
C. 2 6	Paid out shares in profit, including the tax paid	-31 145	-12 458
C. ***	Net cash flow related to financial activities	-40 295	-12 458
F.	Net increase or decrease of cash	229 350	51 193
R.	Cash and cash equivalent balance at the end of the year reported	631 773	402 422



INDEPENDENT AUDITOR'S REPORT

Receiver: to the Shareholders of the company

Name: Broker Consulting, a.s.

Corporate seat: Jiráskovo náměstí 2684/2, Východní Předměstí, 326 00 Plzeň

ID. No. (IČO): 252 21 736

Legal form: Stock corporation

Opinion

We have audited the accompanying financial statements of Broker Consulting, a.s. (hereinafter also the "Company") prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2020, and the income statement, statement of changes in equity and statement of cash flows for the year then ended 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note 1. to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of Broker Consulting, a.s. as at 31 December 2020, and of its financial performance and its cash flows for the year then ended 31 December 2020 in accordance with accounting principles generally accepted in the Czech Republic..

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been



prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

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

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

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact.

Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's The Board of Directors, Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





HZ Plzeň spol. s r.o.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors, the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Plzeň, 19.5.2021



HZ Plzeň spol. s r.o.  
Nepomucká 10, Plzeň  
Audit firm licence No. 219

Ing. Michael Ledvina  
statutory auditor responsible for the audit  
resulting in this independent auditor's report  
Licence number of statutory auditor No. 1375



“  
**Money is better than  
poverty, if only for  
financial reasons.**

Woody Allen



# 10

## REPORT ON RELATIONS BTW INTERLINKED ENTITIES

According to the Section 82 of the Act No. 90/2012 Coll., on business corporations, as amended.

### Drawn up by

Vilém Podliska, chair of the Board of Directors, Petr Hora, member of the Board of Directors, and Jan Bláha, member of the Board of Directors – Statutory Body of Broker Consulting, a. s., having its registered seat at: Jiráskovo náměstí 2684/2, Východní Předměstí, 326 00 Plzeň.

### 1 | Introduction

Statutory Body, the Board of Directors of Broker Consulting, a. s., pursuant to the provisions of Section 82 et seq. of the Act No. 90/2012 Coll., on business corporations and co-operatives (Act on Business Corporation), as amended (hereinafter referred to as the „ZOK“ only), performs hereby his statutory obligation and elaborates the present report on the relations between the members of the “Broker Consulting” Group, i.e. relations between the controlled and controlling entity and relations between the controlled entity and other entities that are controlled by the same controlling entity. The relations are described with the consideration of the need to respect the provisions of Section 504 of the Act No. 89/2012 Coll., on trade secret.

### 2 | Description of the Relations Structure

The controlling entity of the controlled company Broker Consulting, a. s., (hereinafter also referred to as the „controlled entity“) within the meaning of Section 74 of the „ZOK“ was for the period of the year 2020 the company of Broker Consulting Group, SE, ID-No. 042 46 438, having its registered office at: Jiráskovo náměstí 2684/2, Východní Předměstí, 326 00 Plzeň (hereinafter referred to as the „controlling enti-

ty“), whereas this company has been a majority shareholder in the company Broker Consulting, a. s. Petr Hrubý, born on 15 March 1972 and residing at: Plzeňská cesta 38, Doudlevice, Plzeň, postal code 326 00, is the entity who controls the controlling entity. For detailed information on the holding structure see the Organizational Chart, where is shown the company structure together with a link to the Broker Consulting, a. s. business.

### 3 | The Role of the Controlled Entity of Broker Consulting, a. s., within the Concern Relations

Within the above stated concern structure the controlled entity of Broker Consulting, a. s., shall be aimed to provide financial counselling and intermediate services in the territory of Czech Republic and create the conditions for the network of co-operators – financial consultants. Broker Consulting, a. s., is also establishing the conditions for the provision of real estate services using a network of real estate experts. Within this task the controlled entity of Broker Consulting, a. s., provides specific, further described, services also to its subsidiary of Broker Consulting, a. s., Slovak Republic that is focused on the provision of financial counselling in the Slovak market. Moreover, the controlled entity Broker Consulting, a. s., is further providing the referred-to members of the „Broker Consulting“ group with advertising and marketing materials and promotional items, as the personal data processor the Company processes personal data of clients of some members of the „Broker Consulting“ Group, as they are understood the administrators of these personal data and ensures the development of IT systems for activity in the field of financial intermediation for its activities and for the activity of some members of the Group. >>

“

**Marriage, family and home should form the background of a man. The home is more than a railway platform where you come, walk thru, and go out. This is neither the dormitory nor the occasional canteen.**

Jan Procházka



#### 4| The Way and Means of the Control

The influence of the controlling entity is being performed via decision making within the General Meeting.

The position of controlled entity was held by Petr Hrubý, who was in 2020 holding the position of the Chairman of the Supervisory Board of the controlled entity, thus the influence of the controlling entity was exercised only via decision making processes within the General Meeting.

#### 5| An Overview on the Negotiations Undertaken within the Last Accounting Period, which Were Initiated by the Controlling Entity or in the Interest of the Controlling Entity or the Entities that are Being Controlled by it, if such Negotiations were Related to the Assets that exceed 10 % of the Registered Capital of the Controlled Entity of Broker Consulting, a. s., which Amount Was Determined from the Last Financial Statements

Within the accounting year 2020 were not conducted any negotiations in the interests of the controlling entity related to the assets exceeding 10 % of the registered capital of the controlled entity of Broker Consulting, a. s., i.e. the amounts determined from the last financial statements.

#### 6| Agreements Concluded Between the „Broker Consulting“ Concern Members

The controlled entity of Broker Consulting, a. s., and the entity, who controls the controlling entity, have not concluded any agreements in 2020.

In 2020, between the controlled entity of Broker Consulting, a. s., and other „Broker Consulting“ Concern members were concluded the following contracts:

- Contract on lease of the office premises entered into by the controlled entity of BC Properties, a. s., as the lessor, and the controlled entity of Broker Consulting, a. s., as the lessee,
- Purchase contracts for the delivery of promotional items

entered into by the controlled entity of Broker Consulting, a. s., as the seller, and Broker Consulting, a. s., Slovak Republic, as the buyer, and

- Loan agreement between the debtor PRODOMIA Group, a.s., i.e. previously Home Service Financial Group, a. s., and the creditor - Broker Consulting, a. s.
- Non-exclusive agency agreement between the principal PRODOMIA Group, a. s., and the agent - Consulting, a. s.
- Outsourcing agreement between the ordering party - MONECO investiční společnost, a. s., and the provider - Broker Consulting, a. s.
- Non-residential premises sublease agreement between the sub-tenant - MONECO investiční společnost, a. s., and the tenant Broker Consulting, a. s.
- Agency agreement between the company MONECO investiční společnost, a. s., and the agent - Broker Consulting, a. s.
- Cooperation agreement between the client - OK Smart Opportunity, podfond Broker Consulting FKl SICAV, a. s., and the investment agent Broker Consulting, a. s.
- Cooperation agreement between the provider - ProCredia, a.s., and the partner Broker Consulting, a. s.
- Entrustment agreement on the execution of activities between ProCredia, a.s., and the provider - Broker Consulting, a. s.
- Agency agreement between the provider - ProCredia, a.s., and the agent Broker Consulting, a. s.
- Loan agreement between the debtor - ProCredia, a.s., and the creditor - Broker Consulting, a. s.
- Loan agreement between the debtor - Broker Consulting Group, SE., and the creditor - Broker Consulting, a. s.

#### 7| The Assessment, whether any Injury or Damage Arose to the Controlled Entity, and the Assessment of its Compensation

From any negotiation or behaviour did not arise any injury or damage to the controlled entity of Broker Consulting, a. s. Even upon any other agreements or contracts stated above within item VI hereof the controlled entity of Broker Consulting, a. s., did not suffer any injury or damage, as any and all the contractual relations were entered into under usual market terms and conditions. Considering the fact the controlled entity of Broker Consulting, a. s., did not suffer any injury or damage, any compensation is therefore needed.

#### 8| Advantages and Disadvantages Assessment Resulting from the Participation in the Concern

The controlled entity of Broker Consulting, a. s., highly appreciates its participation in the „Broker Consulting“ Group, as the concern relation structure allows its „Broker Consulting“ Group members to reach synergistic effects in their business. Currently, the controlled entity of Broker Consulting, a. s., has not identified any risks emerging from its participation in the concern relation structure within the „Broker Consulting“ Group. Between the performances and counter-performances that result from particular contracts and agreements stated above within the item VI hereof, and negotiations conducted between the „Broker Consulting“ Group members, does not exist any disproportion and the prices of related performances are usual in the market.

#### 9| The Author's Declaration

The author confirms, having attached his signature hereto; the present report has been drawn up by him with due managerial diligence, taking into account all the information available to him for the entire period referred-to.

In Pilsen, on 31. 3. 2021

On behalf of Broker Consulting, a. s.,

**Vilém Podliska**

Chair of the Board of Directors

**Petr Hora**

Member of the Board of Directors

**Jan Bláha**

Member of the Board of Directors



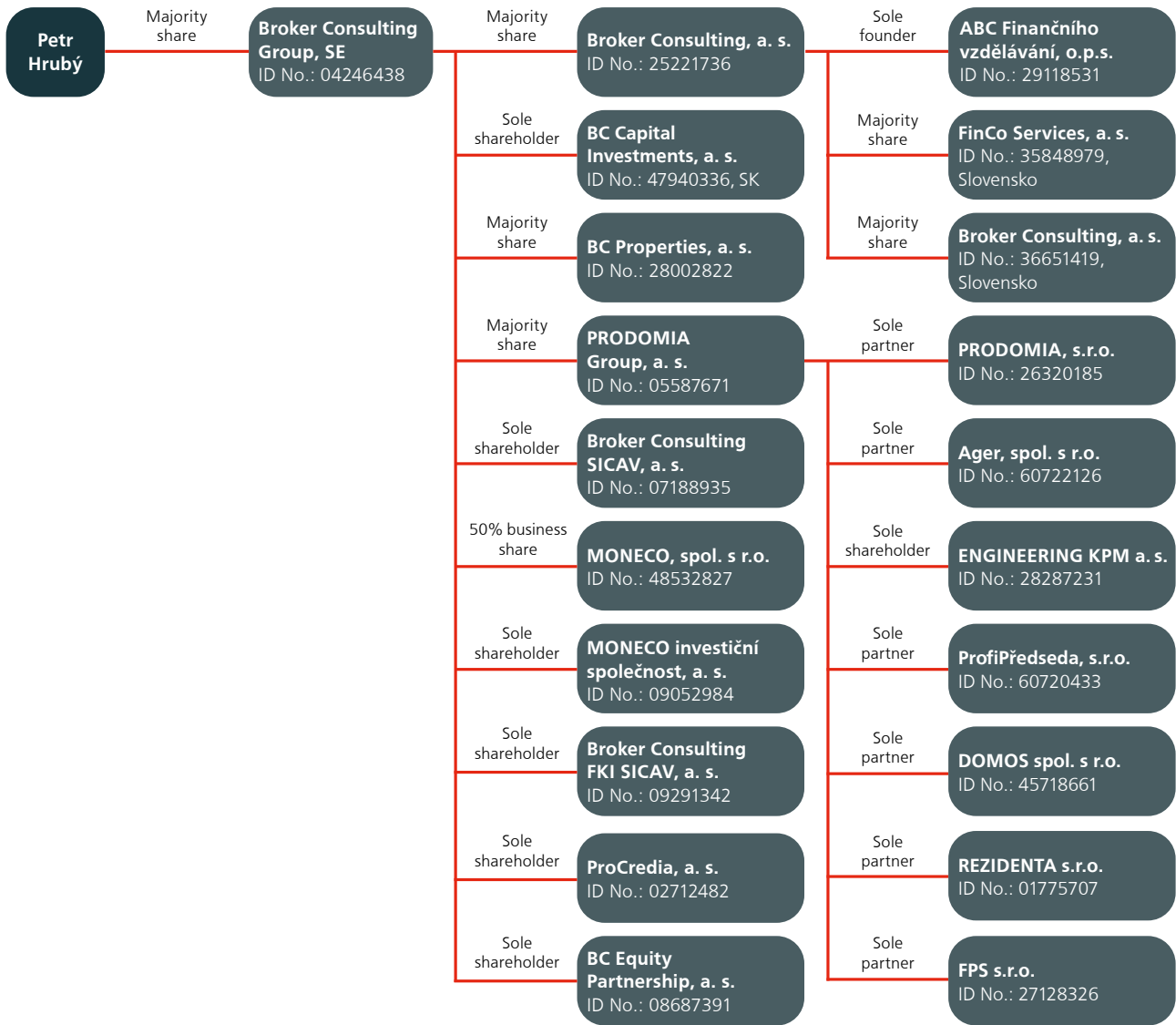
“  
**Many people take no care of their money till they come nearly to the end of it. Others then do the same with their time.**

Johann Wolfgang von Goethe

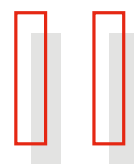


**Organizational Chart of Broker Consulting Group**

(in terms of the relations between the interlinked entities), referring to the accounting period 2020







## COMPANY BUSINESS PARTNERS

Objective financial counselling provided by Broker Consulting has its foundation in a broad portfolio of partner financial institutions with their products. In this respect, our company is ready to provide our clients with the best what Czech financial market may offer. Before including any new entity in our portfolio, we assess not only the parameters of each of its specific financial products, but also the current economic results of its provider, its history, and its approach to its clients. Of equal importance is the fact that we agree with the financial institution in question also on the basic ethical business principles, which help to create the framework for providing premium services with long-term benefit for the client.



### INSURANCE COMPANIES

- Allianz pojišťovna, a. s.
- AXA ASSISTANCE CZ, s. r. o.
- AXA pojišťovna, a. s.
- AXA životní pojišťovna, a. s.
- Colonnade Insurance S.A., organizační složka
- Česká podnikatelská pojišťovna, a. s., Vienna Insurance Group
- ČSOB Pojišťovna, a. s., člen holdingu ČSOB
- D.A.S. Rechtsschutz AG, pobočka pro ČR
- DIRECT pojišťovna, a. s.
- Generali Česká pojišťovna a. s.
- Hasičská vzájemná pojišťovna, a. s.
- Komerční pojišťovna, a. s.
- Kooperativa pojišťovna, a. s., Vienna Insurance Group
- MetLife Europe d.a.c., pobočka pro ČR
- myLife Lebensversicherung AG
- NN Životní pojišťovna N. V., pobočka pro ČR
- NOVIS Pojišťovna, odštěpný závod Česká republika
- Pillow pojišťovna, a. s.
- Slavia pojišťovna, a. s.
- UNIQA pojišťovna, a. s.
- Youplus Insurance International AG, pobočka pro ČR



### PENSION COMPANIES

- Allianz penzijní společnost, a. s.
- Conseq penzijní společnost, a. s.
- ČSOB Penzijní společnost, a. s., člen skupiny ČSOB
- Generali Penzijní společnost, a. s.
- KB Penzijní společnost, a. s.
- NN Penzijní společnost, a. s.
- UNIQA penzijní společnost, a. s.



### BUILDING SAVINGS BANKS

- Modrá pyramida stavební spořitelna, a. s.
- Moneta Stavební spořitelna, a. s.
- Raiffeisen stavební spořitelna, a. s.
- Stavební spořitelna České spořitelny, a. s.



### BANKS AND OTHER CREDIT INSTITUTIONS

- BNP Paribas Personal Finance SA, odštěpný závod (Hello bank!)
- Česká spořitelna, a. s.
- Československá obchodní banka, a. s.
- Equa bank, a. s.
- Home Credit a. s.
- Hypoteční banka, a. s.
- J&T Banka, a. s.
- Komerční banka, a. s.
- mBank S.A., organizační složka
- MONETA Leasing, s. r. o.
- MONETA Money Bank, a. s.
- Oberbank AG pobočka Česká republika
- ProCredia, a. s.
- Raiffeisenbank, a. s.
- Sberbank CZ, a. s.
- UniCredit Bank Czech Republic and Slovakia, a. s.



### INVESTMENT COMPANIES AND FUNDS

- Amundi Czech Republic, investiční společnost, a. s.
- Amundi Czech Republic Asset Management, a. s.
- Colosseum, a. s.
- Conseq Investment Management, a. s.
- Generali Investments CEE, investiční společnost, a. s.
- INVESTIKA, investiční společnost, a. s.
- MONECO investiční společnost, a. s.
- Sirius investiční společnost a. s.
- UNIQA investiční společnost, a. s.
- Wine Investment Partners, investiční fond s proměnným základním kapitálem, a. s.



# 12 CONTACT INFORMATION



## CZECH REPUBLIC

### Broker Consulting, a. s., Registered office – Headquarter in Pilsen

Jiráskovo nám. 2684/2, 326 00 Plzeň  
**+420 378 771 312**  
[info@bcas.cz](mailto:info@bcas.cz)  
[www.bcas.cz](http://www.bcas.cz)

### Broker Consulting, a. s., Headquarter in Prague

Bucharova 1423/6, 158 00 Praha 5  
[info@bcas.cz](mailto:info@bcas.cz)

### ABC Finančního vzdělávání, o. p. s.

Jiráskovo nám. 2684/2, 326 00 Plzeň  
**+420 731 537 251**  
[info@abcfv.cz](mailto:info@abcfv.cz)  
[www.abcfv.cz](http://www.abcfv.cz)

### Dobrý skutek, z. s.

Jiráskovo nám. 2684/2, 326 00 Plzeň  
**+420 731 537 205**  
[info@dobryskutek.cz](mailto:info@dobryskutek.cz)  
[www.dobryskutek.cz](http://www.dobryskutek.cz)

### Česká asociace společností finančního poradenství a zprostředkování (ČASF)

Business Center Rokytka, Sokolovská 270/201, 190 00 Praha 9  
**+420 777 946 902**  
[info@casfpz.cz](mailto:info@casfpz.cz)  
[www.casfpz.cz](http://www.casfpz.cz)



## SLOVAK REPUBLIC

### Broker Consulting, a. s.

Pribinova 25, Tower 115, 811 09 Bratislava  
**+421 2 208 500 30**  
[info@bcas.sk](mailto:info@bcas.sk)  
[www.bcas.sk](http://www.bcas.sk)

### FinCo Services, a. s.

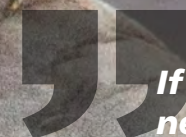
Pribinova 25, Tower 115, 811 09 Bratislava  
**+421 2 208 500 30**  
[info@fcservices.sk](mailto:info@fcservices.sk)  
[www.fcservices.sk](http://www.fcservices.sk)

### BC Marketing & Media, s. r. o.

Pribinova 25, Tower 115, 811 09 Bratislava  
**+ 421 2 208 500 31**

### Dobrý skutok SK, o. z.

Pribinova 25, Tower 115, 811 09 Bratislava  
**+421 9 029 431 03**  
[info@dobryskutok.sk](mailto:info@dobryskutok.sk)  
[www.dobryskutok.sk](http://www.dobryskutok.sk)



*If you live according to nature, you never will be poor; if according to the world's caprice, you will never be rich.*

Seneca

### Broker Consulting Customer Care Centre

Toll free call in the CR

**800 800 080**  
 [info@bcas.cz](mailto:info@bcas.cz)

### Broker Consulting Real Estate Line

Toll free call in the CR

**800 100 164**  
 [reality@bcas.cz](mailto:reality@bcas.cz)

### Broker Consulting Job Opportunities

Toll free call in the CR

**800 023 018**  
 [prace@bcas.cz](mailto:prace@bcas.cz)

### Monitored line for investment services

**731 537 674**





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