

# PPF 2021



Not everything that can be counted counts...







**2021 at PPF**




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# Foreword

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Dear Colleagues and Friends,

The year 2021 will one day be etched in history as the eve of the war in Ukraine. Russia's unconscionable aggression sparked a military conflict, the likes of which Europe has not seen since 1945. It is changing the world around us and the world of business. The full impact that these changes will have remains to be seen. Not to mention the fact that we are affected by the shocking reality of war and the news of millions of refugees from Ukraine. Yet, from the perspective of PPF's business, it is worth acknowledging that these events and their ramifications have no impact on the Group's global operations and investment capability. We are forging ahead with our development plans.

For my generation, for whom 1989 and the fall of communism resulted in freedom (and for me personally, the opportunity to participate in building PPF), this is the second time we have stood witness to historical change, but this time it has been repugnant. Nevertheless, I do not think we should sink into the gloom. I see here an opportunity for free and democratic countries to fortify their values. Values that we all share. I see hope for the future.

The Annual Report before you now, however, is a look back at the results of our work in 2021, a year when Europe continued to be plagued by covid. The pandemic also proved detrimental to operations in some of our markets and lines of business. Nevertheless, I can report that, even in these conditions, we still made a consolidated profit of EUR 239 million. These results reaffirm PPF's financial resilience and stability.

In 2021 and the first few months of 2022, we completed numerous major deals that reflect the Group's magnitude and global reach. Negotiations on investment in CETIN Group by GIC, the AAA-rated global investment fund, were brought to a successful conclusion. We completed the sale

of our stake in Mall Group to Allegro, the Polish e-commerce platform. We also moved forward with the full consolidation of ownership of O2 Czech Republic in order to integrate the largest Czech operator into PPF Telecom Group's telecommunications division. Our goal is to leverage all the benefits that can be delivered by running a large network of operators and telecommunications infrastructure service providers in Central and South-east Europe.

In telecommunications, which stands alongside financial services as one of the two main pillars of PPF's business, we recorded steady growth last year, reporting EBITDA of EUR 1.5 billion and offering an ever-improving range of services to more than 18 million clients in six countries. PPF Telecom Group's mobile operators worked together to lay foundations for the creation of Yettel, the new brand we launched on the markets in Hungary, Bulgaria, and Serbia this spring. After CETIN, this is the second telecommunications brand to create new value for the entire Group.

We continued the geographic and sectoral diversification of the Group's activities with a view to consolidating our assets on established markets in Europe and North America. In the media realm, we substantially expanded the Voyo streaming platform, where the subscriber base rose to 350,000 last year, and we completed the acquisition of RTL Croatia this year. Our PPF Real Estate division entered the US real estate market by striking two large deals and investing in future development. PPF's total investments in the US came to more than USD 500 million after its first year on the US property market.

Last year, PPF Group also made its first foray into a completely new sector: the rental of recreational sailing boats in numerous tourist and yachting destinations around the world, including the Caribbean, the Mediterranean, and the



Pacific Ocean. We entered this arena in partnership with France-based Groupe Beneteau, the leading sailing and recreational boat maker, by acquiring interests in Dream Yacht Charter and Navigare Yachting.

As 2021 gave way to 2022, the growth ambitions of our Škoda Group were also realised when we brought in a new international team of experienced managers. The new management has been tasked with strengthening Škoda's position as a major regional player in the industry and establishing a prominent position for it on Western European markets in particular.

All the Group's transactions and projects last year are covered in more detail on the pages that follow. However, it is very important to mention that 2021 was PPF's first year without its founder, Petr Kellner. He may no longer have been with us, but his ethos and entrepreneurial DNA remained. Prowess in the quest for new challenges, markets, and investments remains a fulcrum at PPF.

Everything we achieved last year, and everything we can continue to build on, was made possible mainly thanks to the expertise, commitment, and efforts of our people. As in the past, we not only did business, but also lent a helping hand. With that in mind, we have taken a slightly different approach to this year's Annual Report: the first part is dedicated to the Group's business and describes our companies, their work and results, including the financial indicators they reported. The second part (or the main part, depending on your perspective) places a stress on PPF's non-profit activities, another area that is very important to us.

PPF remains strong and stable even in today's complex and turbulent world. I extend my heartfelt thanks to all our employees, business partners, and customers for this.

Ladislav Bartoníček  
Shareholder and CEO, PPF Group N.V.



**Investing in a better future**



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# Group Profile

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PPF Group's growth rests on the development of traditional and new industries, the building of modern infrastructure, the digital economy, and linking Czech talent and capabilities with global opportunities.

PPF Group invests in numerous sectors, including financial services, telecommunications, media, biotechnologies, real estate, mobility, and e-commerce.

PPF Group's significant investments in innovation and advanced technologies enable our companies to offer highly competitive services that not only deliver value to customers, but often also contribute to the sustainable development of the entire market.

In all countries in which it maintains a presence, PPF Group has long supported education, science, culture, selected social issues, and emergency relief through foundation-led projects and its charity work.

PPF operates in Europe, Asia, and North America. As at 31 December 2021, PPF Group's assets exceeded EUR 42 billion. The Group's corporate, ownership, and management structure is in the Netherlands: the Amsterdam-based PPF Group N.V. is PPF Group's key holding company. In the Czech Republic, PPF Group paid CZK 7.4 billion in taxes and other levies in 2021.

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# Description of the Company PPF Group N.V.

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Date of incorporation	29 December 1994
Registered office	Strawinskylaan 933, 1077XX Amsterdam, Netherlands
Registration number	33264887
Basic share capital	EUR 624,010
Business	Holding company for the Group, financing

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## Selected Financial Highlights

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EUR millions, based on IFRS	2021	2020	2019
Assets	42,186	39,658	48,614
Equity*	8,532	7,915	8,797
Revenue	8,173	8,847	10,149
Profit*	239	(249)	935

\*Attributable to owners of the Parent

# Shareholders

## Petr Kellner

until 28 March 2021

**Founder of PPF Group, majority shareholder of PPF Group N.V.**  
(98.93% share of voting rights)

Born in 1964; graduated from the Faculty of Industrial Economics, Prague University of Economics and Business, in 1986. He is one of PPF Group's founders and was chairman of the Board of Directors of PPF a.s. from January 1998 to March 2007. He was a member of the Board of Directors of Assicurazioni Generali from April 2007 to March 2013. Petr Kellner oversaw the Group's strategic development and its future direction.

On 28 March 2021, Petr Kellner died in tragic circumstances in a helicopter crash in Alaska.

## Heirs of Petr Kellner

since 28 March 2021

(98.93% share of voting rights)

The share of Petr Kellner's family is subject to pending probate proceedings. Renáta Kellnerová was appointed administrator of the estate until the conclusion of proceedings and is entitled to exercise voting rights attached to shares included in the estate over that period.

Renáta Kellnerová is, among other, a founder of The Kellner Family Foundation, and chairs its Board of Trustees.

## Ladislav Bartoníček

**Shareholder and CEO, PPF Group N.V.**  
(share of voting rights: 0.535%)

Born in 1964; a graduate of the Faculty of Electrical Engineering, Czech Technical University, Prague. He joined PPF investiční společnost a.s. in 1991 as an executive director. He was awarded an MBA by the Rochester Institute of Technology, New York, in 1993. From 1996 to September 2006, he served as chief executive officer of the insurance company Česká pojišťovna a.s. In 2007, he was appointed CEO and a member of the Board of Directors of Generali PPF Holding N.V. (GPH), one of the largest insurance groups in Central and Eastern Europe, which was established as a joint venture of PPF Group and Assicurazioni Generali. He held his CEO position at GPH until March 2013.

Ladislav Bartoníček has been a shareholder of PPF Group since 2007. From March 2014 to February 2018, he was CEO of SOTIO a.s., PPF Group's biotechnology company. He has been responsible for the strategic management of the Group's telecommunications, media, and biotechnology investments since 2018. Since March 2021, he was CEO of PPF Group N.V. and a member of the PPF Executive Committee.

## Jean-Pascal Duvieusart

**Shareholder, PPF Group N.V.**  
(share of voting rights: 0.535%)

Born in 1966; a graduate of the University of Chicago (MBA) and the Catholic University of Louvain, Belgium, where he majored in Commercial Engineering. He was a managing partner at McKinsey Prague between 1999 and 2005, when he assumed leadership of McKinsey CIS and Central Europe, based in Moscow.

He has been a PPF Group shareholder since 2010. He was PPF Group's representative sitting on the board at Polymetal International, and was the Strategy & IR Development Director and a member of the supervisory board at Russia-based Nomos Bank. Jean-Pascal Duvieusart was a member of the top management at SOTIO, PPF Group's biotechnology company, where he focused on business in China and the US. He sits on the Board of Directors of PPF Real Estate Holding B.V. In January 2020, he was appointed CEO of Home Credit N.V. Within PPF Group's management, he is in charge of financial services and real estate. Mr Duvieusart was a member of the PPF Executive Committee since March 2021.



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# Governing Bodies of Selected Companies

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# Governing Bodies of Selected Companies

## PPF Group N.V.

**Aleš Minx**  
Chairman of the Board of Directors

**Jan Cornelis Jansen**  
**Rudolf Bosveld**  
Members of the Board of Directors

**Kamil Ziegler**  
Chairman of the Supervisory Board

**Zuzana Prokopcová**  
**Lubomír Král**  
Members of the Supervisory Board

## PPF Financial Holdings

**Jean-Pascal Duvieusart**  
Chairman of the Board of Directors

**Kateřina Jirásková**  
**Lubomír Král**  
**Radek Pluhař**  
Members of the Board of Directors

## Home Credit

**Jiří Šmejč**  
Chairman of the Board of Directors,  
Non-Executive Director

**Jean-Pascal Duvieusart**  
Member of the Board of Directors,  
Managing Director, CEO

**Mel Carvill**  
**Pavel Rožehnal**  
**Rudolf Bosveld**  
**Jan Cornelis Jansen**  
Members of the Board of Directors

## Air Bank

**Michal Strcula**  
Chairman of the Board of Directors

**Luboš Berkovec**  
**Pavel Pfaußer**  
Members of the Board of Directors

## PPF banka

**Petr Jirásko**  
Chairman of the Board of Directors, CEO

**Jaroslava Studenovská**  
Vice-Chairwoman of the Board  
of Directors

**Miroslav Hudec**  
**Luboš Prchal (from 11/2021)**  
**Karel Tregler (from 11/2021)**  
Members of the Board of Directors

## PPF Telecom Group

**Jan Cornelis Jansen**  
**Marcel Marinus van Santen**  
**Lubomír Král**  
Members of the Board of Directors

## CETIN Group

**Jan Kadaník**  
Chairman of the Board of Directors

**Juraj Šedivý**  
Member of the Board of Directors, CEO

**Jan Cornelis Jansen**  
**Marcel Marinus van Santen**  
Members of the Board of Directors

## CETIN Czech Republic

**Juraj Šedivý**  
Chairman of the Board of Directors

**Filip Cába**  
Vice-Chairman of the Board of Directors

**Michal Frankl**  
**Martin Škop, CEO**  
Members of the Board of Directors

## CETIN Hungary

**Tamás Ötvös**  
Chairman of the Board of Directors, CEO

**Juraj Šedivý**  
**Petr Prouza**  
Members of the Board of Directors

## CETIN Bulgaria

**Petar Mudrinic**  
Chairman of the Board of Directors, CEO

**Petr Prouza**  
**Petr Holý**  
Members of the Board of Directors

## CETIN Serbia

**Vladimír Skulić**  
Executive Director, CEO

**Petr Prouza**  
**Filip Cába**  
Executive Directors

## Telenor CEE\*

### Telenor Hungary

**Peter Gažík**  
Chairman of the Board of Directors, CEO

**Marek Sláčík**  
**György Koller**  
Members of the Board of Directors

### Telenor Bulgaria

**Jason Christos King**  
Chairman of the Board of Directors, CEO

**Marek Sláčík**  
**Jan Kadaník**  
Members of the Board of Directors

### Telenor Serbia

**Marian Mike Michel**  
Executive Director, CEO

**Marek Sláčík**  
**Jan Kadaník**  
Executive Directors

### Telenor Montenegro\*\*

**Marian Mike Michel**  
Chairman of the Board of Directors

**Vanja Stanković**  
**Jaša Jovičević (from 4/2021)**  
Members of the Board of Directors

**Branko Mitrović**  
CEO

● **PPF Real Estate Holding**

**Jan Cornelis Jansen**  
**Paul de Reijke**  
**Jean-Pascal Duvieusart**  
**Menno Ferdinand Verhoeff**  
 Members of the Board of Directors

● **PPF Real Estate Europe**

**Jiří Tošek**  
 CEO

● **PPF Real Estate USA**

**Aaron Smith**  
 CEO

● **PPF Real Estate Russia**

**Dmitry Tikhonov**  
 CEO

● **CME Media Enterprises**

**Lubomír Král**  
**Jan Cornelis Jansen**  
**Marcel Marinus van Santen**  
 Members of the Board of Directors

● **CME Services**

**Didier Stoessel**  
**Jan Tomanik**  
 Executive Directors

● **TV Nova, Czech Republic**

**Klára Brachtlová**  
**Jan Vlček**  
**Štěpán Peichl**  
 Executive Directors

● **TV Markíza, Slovakia**

**Matthias Settele**  
**Mariana Trnavská**  
 Executive Directors

● **PRO TV, Romania**

**Aleksandras Cesnavicius**  
 Executive Director

● **Pro Plus, Slovenia**

**Pavel Vrabec**  
 Executive Director

● **bTV, Bulgaria**

**Martin Švehlák**  
**Godpodin Yochev**  
**Tonislav Popov**  
 Executive Directors

● **Škoda Transportation**

**Petr Brzezina**  
 Chairman of the Board of Directors,  
 CEO

**Tomáš Ignačák**  
 Vice-Chairman of the Board of Directors

**Jan Menclík**  
**Zdeněk Sváta**  
**Zdeněk Majer**  
 Members of the Board of Directors

● **SOTIO Biotech**

**Radek Špišek**  
 CEO

**Pavel Solský**  
 Chairman of the Board of Directors

**Vladimír Prunner**  
**Richard Kapsa**  
 Members of the Board of Directors

● **SCTbio**

**Luděk Sojka**  
 CEO

**Pavel Solský**  
 Chairman of the Board of Directors

**Vladimír Prunner**  
**Richard Kapsa**  
 Members of the Board of Directors

● **CzechToll**

**Matej Okáli**  
 Executive Director, CEO

**Jan Harrer**  
 Executive Director

● **Blue Sea Holding**

**Didier Stoessel**  
**Robert Ševela**  
**Ondřej Chaloupecký**  
**Marek Ehrenberger**  
**Jérôme de Metz**  
**Bruno Thivoyon**  
**Luca Brancaleon**  
 Members of the Board of Directors

● **FAST**

**Libor Kolišek**  
 Chairman of the Board of Directors

**Petr Kouba**  
**Tomáš Opluštil**  
 Vice-Chairmans of the Board of Directors

**Vojtěch Vilhum**  
**Robert Šiml**  
 Members of the Board of Directors

● **PPF a.s.**

**Kateřina Jirásková**  
 Chairman of the Board of Directors

**Vladimír Mlynář**  
**Lubomír Král**  
 Members of the Board of Directors

\*Yettel from 1 March 2022

\*\*The sale of the 100% stake in Telenor Montenegro was closed at the end of 2021.

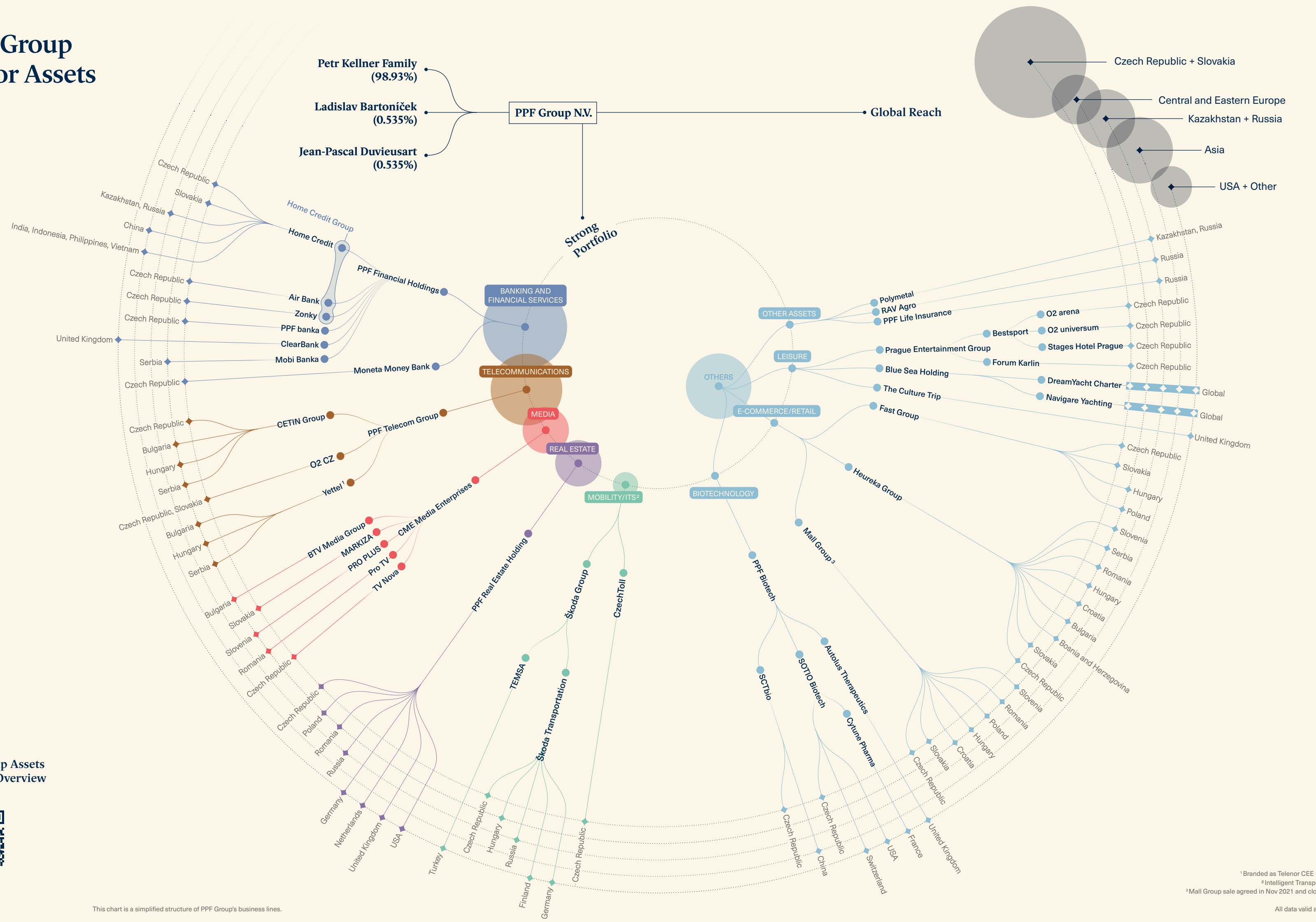


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# Major Assets

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# PPF Group Major Assets



PPF Group Assets  
Website Overview  
ppf.eu



This chart is a simplified structure of PPF Group's business lines.

<sup>1</sup> Branded as Telenor CEE until 28 Feb 2022.  
<sup>2</sup> Intelligent Transportation Solutions  
<sup>3</sup> Mall Group sale agreed in Nov 2021 and closed in April 2022.

All data valid as at 31 Dec 2021.



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# Our Strategy

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We seek out opportunities to develop companies, business, and services not only in fast-developing and high-potential fields, but also in those areas that may be overlooked or perceived as too risky. Our priority is to create value at the companies in which we invest. We are not intimidated by the prospect of entering new markets and new – often synergistic – fields. When considering a new business, we primarily target markets with high retail potential and those with rapidly developing infrastructure, and we focus on transactions where our contribution exceeds EUR 100 million. We prefer to act as the majority owner, but we are also keen to work with partners who espouse a business philosophy that aligns with our own. We have built and will continue to shape PPF Group as a portfolio of companies where sectoral and geographical diversification offers stability and opportunities for vertical integration.

We scout companies that show growth potential or need to restructure as we can provide them with strong financial backing, implement strict financial and corporate discipline, introduce promising business models, and improve the quality of management. The rate of return on our investments relies on the professionalism of our people and on the experience and expertise we have gained in the formation and restructuring of numerous companies in Central and Eastern Europe, Russia, and Asia. Our teams, who drive PPF's success through their efforts, share a common vision, as well as a high level of commitment, loyalty, and professionalism.

No matter where we are, we strive to nurture and grow the values that underpin our approach to business. Our watchwords are readiness, responsibility, and creativity. We bring with us a spirit of enterprise, a global perspective, and the ability to spot and embrace new business opportunities. We are sensitive to and actively promote the need for sustainability and corporate social responsibility, and we respect the cultural and political differences of the markets where we operate. We foster relationships with the public sector and help to build communities in all the countries where we do business.

## **Our roots, our home**

We are rooted in the Czech Republic. No matter where we do business in the world, we profile ourselves as a company with a Czech pedigree. We actively promote social, educational and cultural relations between the Czech Republic and the countries where we operate. Just as we try to bring back home the inspiration and opportunities we have harvested abroad, we want to help good Czech ideas to germinate around the world.

We are helping to forge a competitive, robust Czech Republic by building a modern, secure and open data infrastructure, developing innovative programmes at engineering companies, offering advanced digital services, modern media and content, and investing in biotechnology development and research. PPF companies can only be steady and thrive if the domestic setting is stable and our people are ambitious, proficient, and skilled.

Both in the Czech Republic and internationally, we respect the laws and regulations of those countries where we do business. Likewise, we defend our business interests within the bounds of law. Our business is business. We scrupulously stay out of politics. The Group's internal rules lay down and demand a professional, lawful, and ethical approach to our responsibilities within all our teams and in our dealings outside the Group, as well as a fair and transparent approach to customers and employees.



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# Selected PPF Companies

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# Growth Through Digital in Financial Services and Banking

The growth of PPF Financial Holdings and its banks, brands and financial services in both corporate and private banking has been driven by increasing digitalisation of both backend and

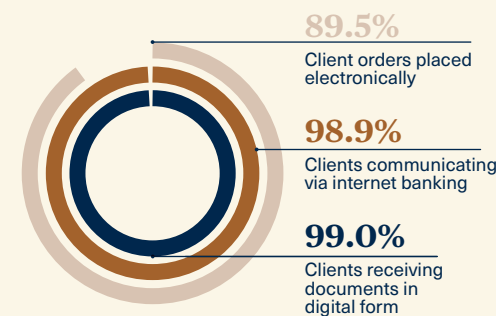
frontend services, and the usage of digital technologies and online platforms to provide better, more accessible, inclusive and trusted services.

Each of the brands takes a different, specific perspective to exploit the opportunities of digital to deliver value for customers and shareholders, using its competitive technological edge to enable further growth.

## PPF Banka

A leading Czech investment bank established 30 years ago that caters to the needs of even the most discerning clients. It promptly and efficiently serves the requirements of financial institutions, corporations, private clients and PPF Group companies. Striving to provide best-in-class, customer-oriented services, the bank invests in digital technology and online platforms for both customer relations functions across its corporate and private banking units, as well as internal processes, data management and analytics.

### PAPERLESS INVESTING



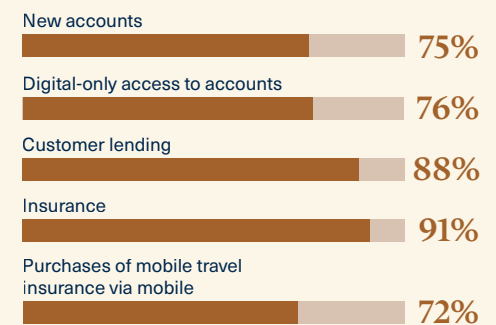
**CZK 419.5bn**  
Securities trading volume (2021)

## air/bank

Established in 2011, Air Bank is a greenfield bank built without any legacy systems issues and with a robust, scalable digital platform driving customer experience excellence.

It is the biggest and fastest-growing neo-bank in the Czech Republic and one of the world's few digital banks that has achieved scale and profitability.

### SELECTED DIGITAL SALES AND USAGE METRICS (2021)



**986K+** Total customers  
**13.88%** 5-year CAGR (~100K customers p.a.)

**10%** Market share Q3/2021  
**73** Best-in-class NPS

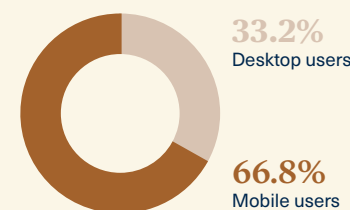
**9% to 72%** Development of active banking customer base 2012 vs Q4/2021  
**+74%\*** Payments per card per month (POS) Q3/2021

**+139%\*** Mobile app daily active users Q3/2021  
**+149%\*** Mobile payments Q3/2021

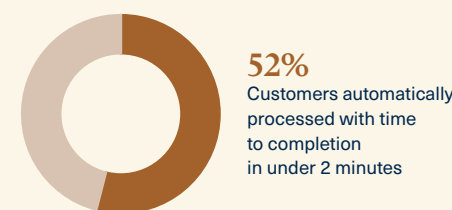
\* Compared to internally estimated market average

## zonky.cz

### MOBILE NATIVE CLIENTS OF THE ZONKY DIGITAL PLATFORM (3Q/2021)



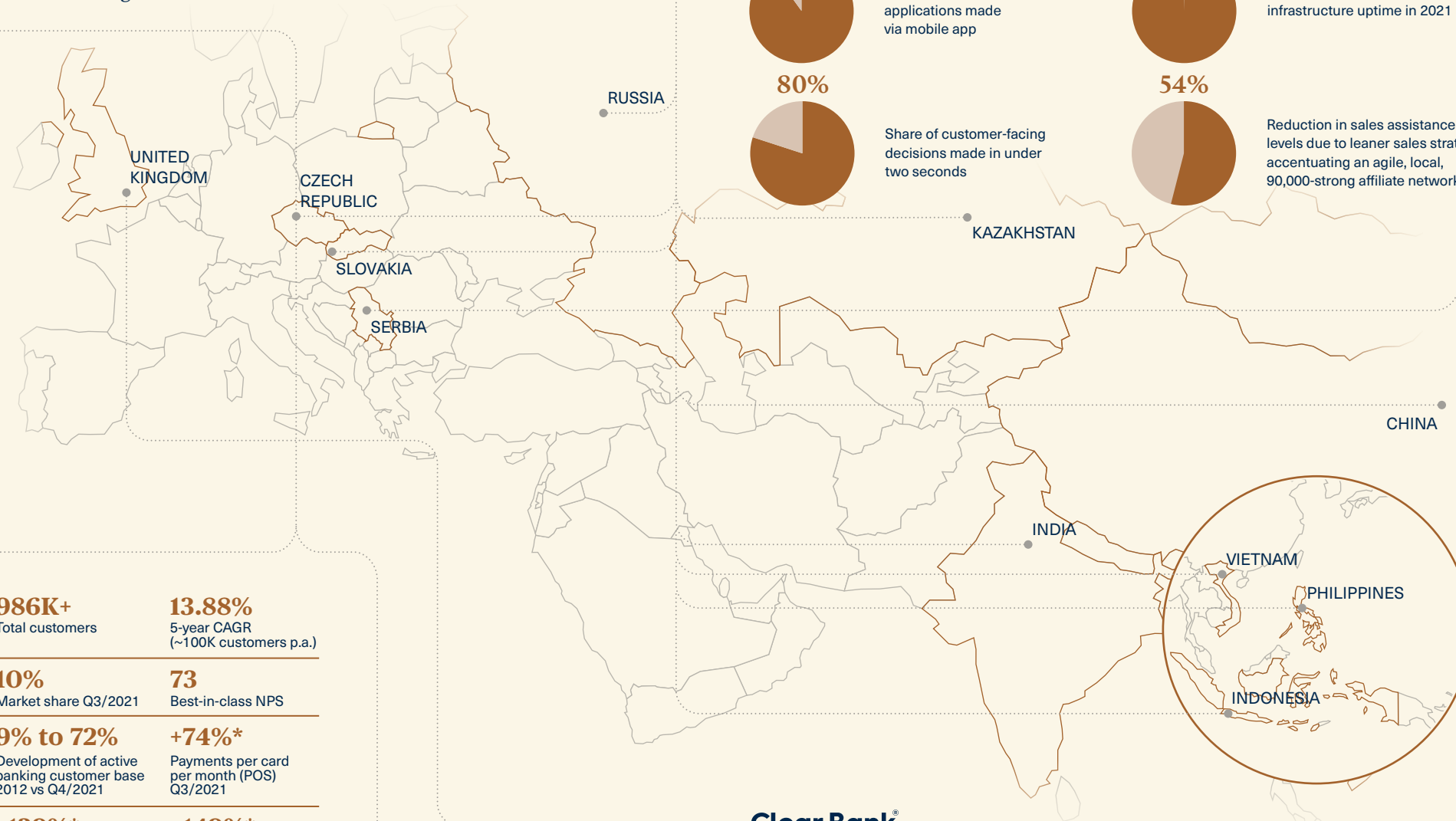
### FAST AND DIGITALISED LOAN APPLICATIONS (2021)



A peer-to-peer digital lender competing with traditional banks by being entirely digitally native. Its operations are based exclusively on online client onboarding, eliminating all paperwork.

The services are offered in a customer-friendly, comprehensive digital environment, which helps to generate positive feedback and a high NPS score among its clients.

## PPF Financial Holdings



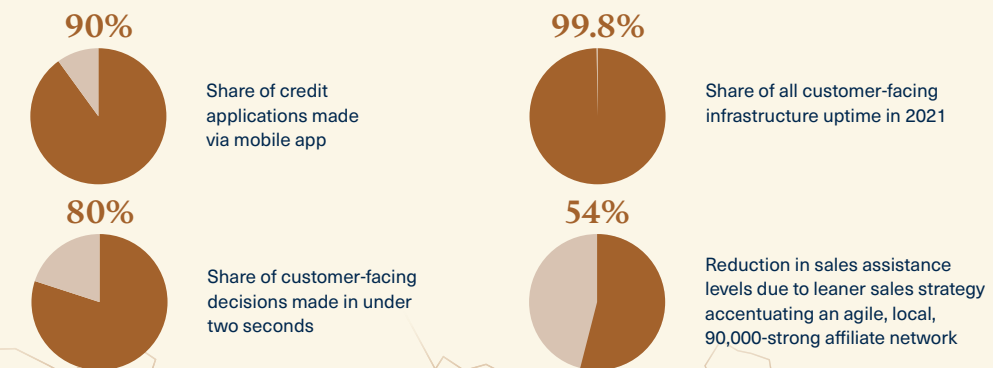
## HOME CREDIT

Since its foundation 25 years ago, the company has expanded its operations across multiple global markets and has embraced digital transformation to create a strong foundation for future growth.

Home Credit has recently accelerated its pivot towards digital service delivery to meet its customers' increasingly digital lifestyles.

The optimisation of digital operations and sales channels is complemented by a physical network of point-of-sale locations, furthering near-instant, reliable and frictionless customer experiences.

### DIGITAL PROFICIENCY (2021)

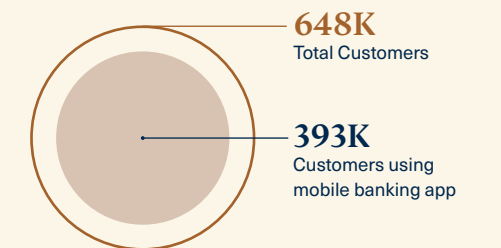


**165** Artificial intelligence models being developed per year to optimise the bank's sales and operational processes

**3,000** Data points analysed by the bank per customer for each decision/sale in real time

## Mobi Banka

### DIGITALLY SAVVY CLIENTS (2021)



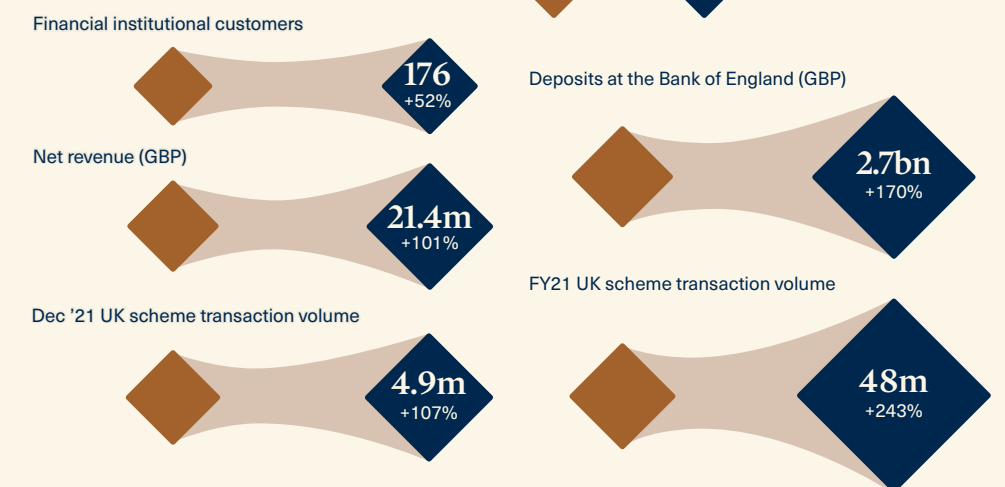
Mobi Banka is Serbia's digital banking pioneer. As well as providing regular online and mobile banking services to its clients, Mobi Banka has partnered with the Serbian government's digital initiative in a market-first data-sharing pilot reducing the need for physical documents for loan underwriting.

## Clear.Bank®

ClearBank is a pioneering, licensed cloud-based, API-driven digital commercial clearing bank. Major brands like Coinbase, Tide and OakNorth use ClearBank's embedded banking technology to provide innovative digital services.

By giving its customers access to the next generation of financial technology, ClearBank – the first new UK clearing bank in 250 years – helps them to unleash their full potential. In partnership with Tide, the bank serves approx. 5% of the UK's SME market.

### GROWTH YOY (2021)





PPF Group's core business is financial services and banking. The successful growth of PPF Financial Holdings brands is built on an emphasis on client needs, investment in innovation and digital technologies, and an ever-evolving range of modern financial services.

**P**PF Financial Holdings B.V., the Group's investment vehicle for the financial sector (PPF banka, Home Credit, including Air Bank and Zonky, ClearBank, and Mobi Bank), relocated its headquarters and domicile from the Netherlands to the Czech Republic in 2021. Since 1 June 2021, when the switch took legal effect, the company has been operating as the Czech financial holding company PPF Financial Holdings a.s.

PPF Financial Holdings a.s. is subject to consolidated prudential requirements under Regulation (EU) No 575/2013 of the European Parliament and of the Council and to consolidated supervision by the Czech National Bank.

In March 2022, the Czech National Bank approved PPF Financial Holdings a.s.'s compliance with statutory



“We bolster our financial assets by investing in digitalisation, infrastructure development and customer service. Amid mounting regulatory demands and the competition posed by international fintech platforms, this is the only way to offer best-in-class services and products.”

Kateřina Jirásková,  
CFO, PPF Group

requirements imposed by the CNB on financial holding companies under the September 2021 amendment to the Czech Banking Act.

The financing and debt structure of PPF Financial Holding a.s. did not change significantly during 2021. The company issued Tier 2 bonds in 2021, the proceeds of which were used to repay an AT1 bond issue.

In 2021, PPF Group established Tanemo a.s., which, during the year, acquired 29.94% of the shares in MONETA Money Bank, a.s. through a public offering. This stake is not part of PPF Financial Holdings a.s.

Home Credit Group B.V. (“HCGBV”) is one of the world’s leading consumer finance providers. It specialises in emerging markets. Home Credit’s mission is to provide consumer finance responsibly, especially to people with little or no credit history, via a multichannel online and offline distribution model that places an emphasis on digital services and tools.

**H**CGBV is a parent company organised into several regional groupings. It holds equity interests in leading consumer finance companies in nine countries. Home Credit holds banking licences in the Czech Republic, Russia, and Kazakhstan. Over its decades of operations, the company has developed a broad range of innovative and affordable financial services and solutions that are adapted to the cultural, social, and economic nuances of each of the global markets where it maintains a presence.

The group operates in countries with a combined population of around 3.4 billion, where the growth potential is high, GDP increases are above average, and the consumer finance penetration rate is low.

Home Credit Group companies were serving nearly 14 million active customers in all their markets at the end of 2021 and were among the largest and best-ranked brands in point-of-sale financing.

The group’s goal is to provide highly competitive services and to maintain a high level of agility and innovation in a constantly evolving digital world. Advanced technology and easy-to-understand mobile apps offer inclusive access to credit services and provide customers who are unable or unwilling to use standard banking tools with first experience taste of credit and financial products. Digital platforms process large volumes of data, arming the company with the effective predictive tools it needs to make responsible lending decisions.

HCGBV offers three main types of unsecured consumer finance products on its markets: non-bank loans (non-cash credit to finance the purchase of durable goods), multi-purpose or cash loans, and revolving credit products. In addition to loans, Home Credit offers customers complementary products and services, such as reinsurance and third-party insurance distribution. The company’s product strategy aims to maintain high customer loyalty

by offering services that cater to the evolving lives needs across multiple age groups and situations in life that are faced by all age groups.

In 2021, Home Credit’s markets were severely impacted by the global COVID-19 pandemic. The company responded by accelerating the roll-out of its digitalisation plan. This included the deeper integration of mobile apps to enable an enhanced customer experience and interaction in the repayment of loans and the purchase of consumer goods through online retail partners. The uptake of these apps underlines the speed and depth of HCGBV’s digital transformation. Over 80% of the company’s business is now conducted via mobile devices. Home Credit’s apps have over 106 million registered users globally. In 2021, digitalisation also opened the door to a dramatic reduction in costs by cutting the provision of sales guidance by 54 per cent.

This next-generation retail and hyper-digital bank was founded 10 years ago to compete with conventional banks by offering straightforward, customer-centric, and innovative services. Air Bank is the fastest growing and expanding neo-bank in the Czech Republic. Few banks of this kind in the world can match its size and profitability.

**A**ir Bank routinely introduces novel services and solutions to the Czech market, where it leads the way in customer centricity. This approach has seen it continue to attract new clients, increase its volume of lending, and record growing income from regular retail banking services. At the end of 2021, Air Bank had more than 986,000 clients served by 955 employees at 32 branches distributed among the Czech Republic's largest towns and cities. In recent years, its customer experience has been ranked first and second out of two hundred regularly assessed brands that are present in the Czech market.

In 2021, Air Bank deployed the first banking app that could be voice-controlled in Czech, a feat earning it Novelty of the Year award in the financial sector. Air Bank was one of the first banks in the Czech Republic to offer banking identity, or BankID, as a means of facilitating communication with the public and commercial sector. Air Bank clients can now make returns

on their savings by investing via the Portu service or in other clients' loans via the Zonky Rentiér service. Zonky, the P2P lending platform, formally became part of Air Bank in December 2021, but continues to offer its services under its own brand. Looking to the future, Air Bank will focus on areas such as services for families and the expansion of its mortgage and investment services.

Air Bank's mobile banking enjoys high levels of popularity among customers. In the third quarter of 2021, it was used by over 670,000 users, almost a quarter of whom made daily use of the app. The scale of Air Bank's digitalisation is also phenomenal in terms of clients opening new accounts (75% online), applying for loans (88% online), or taking out travel insurance (91% online).

In 2021, the bank committed to environmentally and socially responsible business by subscribing to the Czech Banking Association's Memorandum on Sustainable Finance. Both Air Bank and

Zonky are regularly named among the most responsible consumer lenders in the People in Need Responsible Lending Index.

At the end of 2021, Moneta Money Bank shareholders approved a planned merger with Air Bank and the Czech and Slovak Home Credit.

This modern bank for corporate, public, and private sector customers specialises in trading on financial and capital markets and providing financing services for projects, exports, and acquisitions. It is the hub of PPF Group's financial activities, carrying out international payment transactions, managing financial assets, and trading on capital markets for the Group's companies.

**P**PF banka's services are built on professional expertise and unique solutions with an emphasis on added value. For clients, it is a stable, professional, and reliable partner in operational and investment financing in numerous areas, including trade, industrial production, energy, renewable sources, agriculture and forestry, services in the realms of IT and e-commerce, etc.

The bank also finances commercial and residential real estate and development projects. It has been a long-standing partner of many Czech regions and statutory cities, contributing to their development, for example, in the fields of energy, the circular economy, and education. The bank offers structured finance services, including M&A financing. An important part of the portfolio is services taking an individual approach to the financial needs of private clients.



PPF banka may be one of the smaller primary dealers when measured against global and Czech banks, but its total securities trading volume worth CZK 419.5 billion make it one of the most important traders on the financial markets in the Czech Republic and abroad. PPF banka was ranked second in the Ministry of Finance's primary dealer standings for 2021.

In 2021, PPF banka focused primarily on developing services for existing clients and supporting their business activities. In line with its strategy, the bank invested in digitalisation, cybersecurity, and more efficient service provision, including the development of a new mobile app and the modernisation

of internet banking. As the negative repercussions of the coronavirus epidemic took hold, PPF banka helped clients to make use of support schemes for their businesses.

The bank's 2021 performance yielded a net profit of CZK 1.75 billion, up by more than CZK 600 million on the previous year.

A fully mobile online bank on the Serbian market providing innovative financial services.

A digital commercial clearing bank based in the UK.

**B**elgrade-based Mobi Banka harnesses business synergies with the telecommunications services of PPF Group-owned Telenor Serbia (operating under the Yettel brand as of 3/2022). In 2021, the bank worked with the Serbian government to utilize digital identity and data sharing technology in its products. One of the outcomes of this project has been that applying for and processing loans is now easier.

At the end of 2021, Mobi Banka was serving almost 650,000 clients with a wide range of personal retail financial services. As at 31 December 2021, the bank was managing assets worth EUR 207.5 million.

**S**ince its inception in 2017, ClearBank has provided financial services to corporate customers via cloud-based, smart and robust technology offering real-time payment settlement. Swift processing and next-generation financial solutions are integral to ClearBank's business model. Transactions in 2021 came to EUR 140 billion. As at 31 December 2021, PPF Group held a 44.78% stake in ClearBank.



Our modern financial infrastructure simplifies the movement of money and enhances our clients' payments experience.

Charles McManus  
CEO, ClearBank

# Telecommunications: Positive Trends Supporting Growth

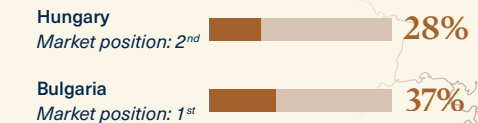
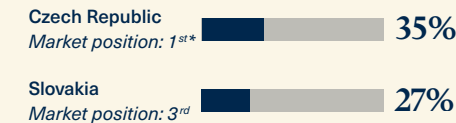
**PPF Telecom Group**

Telecommunications is a key PPF pillar. PPF Telecom Group has emerged as a major regional player through acquisitions and organic growth. The group benefits from its innovative operating model, in which the infrastructure is provided wholesale

by CETIN Group and kept separate from O2 and Yettel (ex-Telenor) retail services. Its growth path is an example of the entire telecommunications sector's experience of rapid technological advances in recent years and the ongoing digitalisation of our economies

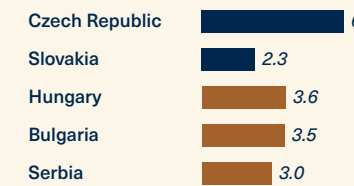
and societies. Since 2014, the Group has seen both a significant increase in customer numbers and major improvements in its technology base as providers must adapt to growing demand by investing in innovation, quality of service, and operational security.

## MOBILE REVENUE MARKET SHARE

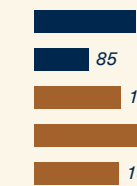


\*The market position in the Czech Republic is reported as combined for mobile and fixed segments.

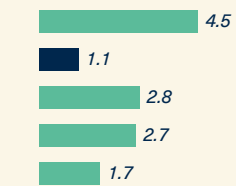
## MOBILE SUBSCRIBERS (Millions)



## STORES



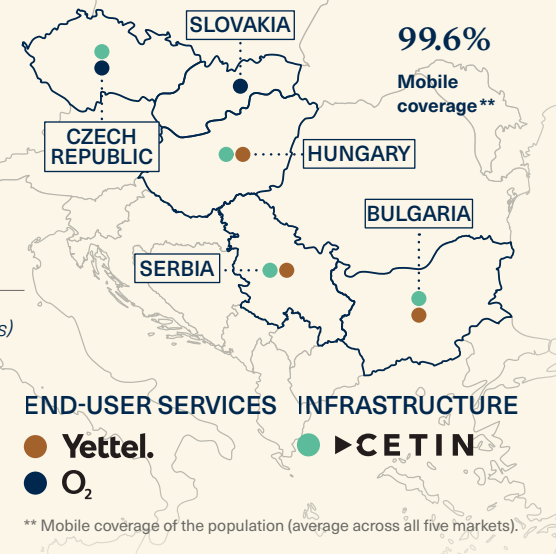
## MOBILE TOWERS (Thousands)



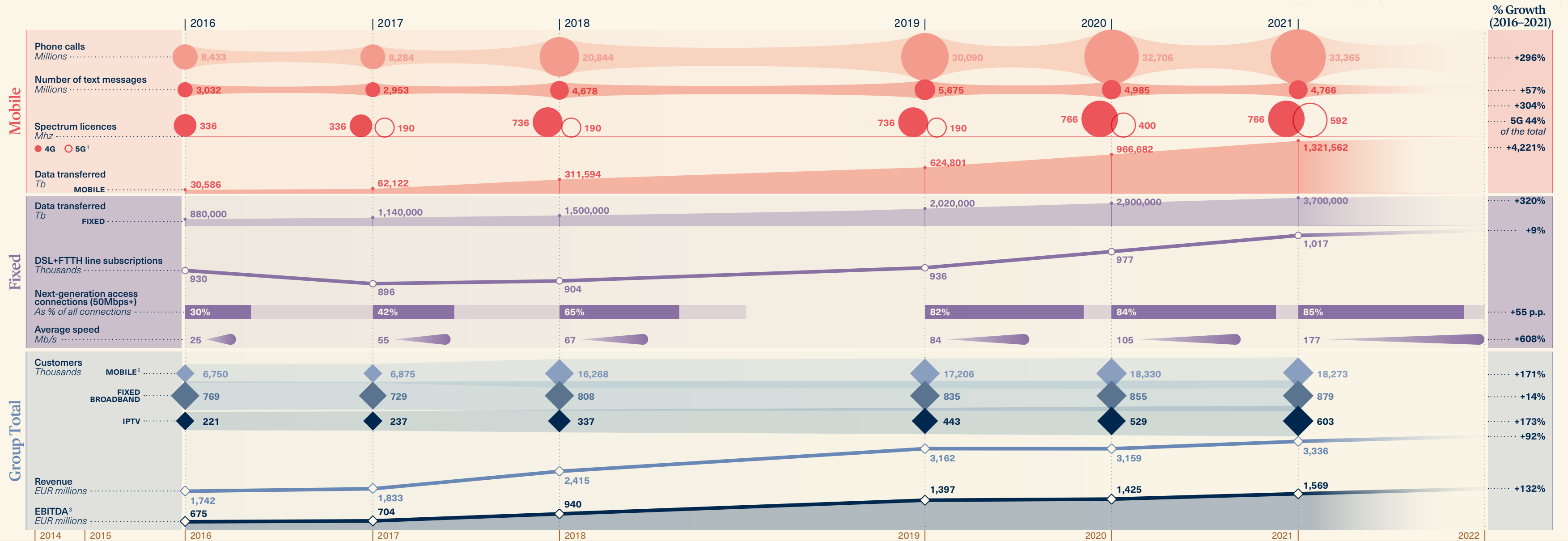
## END-USER SERVICES INFRASTRUCTURE



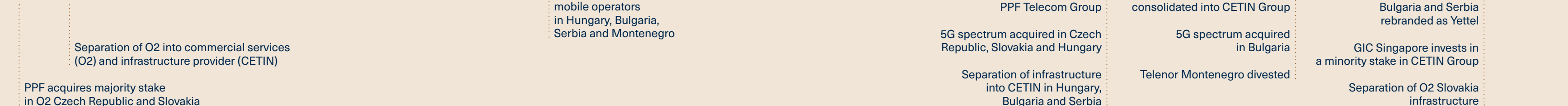
\*\* Mobile coverage of the population (average across all five markets).



## GROWTH IN QUALITY, REACH AND PERFORMANCE



## PPF TELECOMMUNICATIONS SERVICES MILESTONES



<sup>1</sup> The 5G spectrum reported in the chart comprises the 700, 3,500 and 3,700 MHz bands, irrespective of the actual use of the spectrum.  
<sup>2</sup> Yettel mobile customer reporting from 2020 newly includes M2M (machine-to-machine) subscriptions, consistent with O2 reporting.  
<sup>3</sup> EBITDA reporting from 2019 conforms with IFRS 16 requirements.

CEE Market Data by Analysys Mason.  
 Yettel is a new brand that, since March 2022, has replaced the former Telenor brand for PPF-owned mobile operators in Hungary, Bulgaria and Serbia.

PPF Group's telecommunications division is a leading provider of telecommunications services in Central and South-eastern Europe. Its companies in the Czech Republic, Slovakia, Hungary, Bulgaria, Serbia and Montenegro\* have long invested in modern telecommunications infrastructure, which they continue to develop.

The group operates in stable markets with positive trends, supportive of sustainable business growth. They are characterised by rational competitive environment required for healthy ARPU and steady market shares.

PPF Telecom Group companies are split into two segments: end-user services and infrastructure. PPF pioneered structural separation of commercial services, operating under O2 and Telenor brands (Yettel as of March 2022), from infrastructure owners and operators, consolidated in CETIN Group.

CETIN's subsidiaries in the Czech Republic, Hungary, Bulgaria, and Serbia offer wholesale mobile and fixed network infrastructure services to all telecommunications companies in the

market on equal terms. The commercial arm of the group provides services to end users in the consumer, corporate and public segments, under O2 and Yettel brands. Their proposition comprises mobile voice, data and text messaging, fixed broadband, multi-platform internet television, fixed voice lines and corporate data networks.

In 2021, PPF Telecom Group reported solid revenue growth, achieved with contributions from all its brands and companies. The customer base is expanding and improving in all of the group's countries, in large part due to a long-term strategy structured around the operation of top-grade telecommunications networks and the delivery of a superior customer experience. The group's companies report generate predictable cash flows

resilient to business cycle changes and adverse global influences, which in 2021 included the COVID-19 pandemic and its economic repercussions.

PPF Telecom Group operated state-of-the-art 5G mobile networks in most markets by the end of 2021. The roll-out of 5G networks is accelerated by the sharing of expertise and resources within CETIN Group's infrastructure division. In the years ahead, 5G services will be driving the next wave of innovation and growth.

\* At the end of 2021, Telenor Montenegro was sold to Hungary's 4iG Nyrt.

The Telenor CEE mobile operators (rebranded to Yettel as of March 2022) provide telecommunications services to customers in Hungary, Bulgaria, Serbia and Montenegro.\* With a strategy pursuing mobile network excellence, a first-class customer experience, and a wide range of charitable and community-based activities, they successfully lead the way in providing mobile and internet services in these markets.

**D**efying the difficult conditions they were facing because of the coronavirus pandemic, Telenor CEE mobile operators invested millions of euros in technological advances and the expansion of their proposition in 2021. At the end of 2021, Telenor was serving nearly 10 million customers. For several years in a row, operators in Bulgaria, Serbia, and Montenegro have been awarded the prestigious Best in Test certificate in the independent mobile infrastructure quality testing conducted by the international Umlaut (Accenture) organisation. This places Telenor CEE's mobile networks among the best in Europe. In March 2022, Telenor CEE operators were rebranded as Yettel.

### **Hungary**

With 3.6 million customers, Telenor Hungary is the country's second largest operator measured in terms of market share and revenues, which grew by 5.1% year on year. Telenor Hungary is a pioneer in mobile broadband technology. In the national spectrum auction, the company succeeded in bidding for a 15-year licence for the 900 MHz and 1,800 MHz bands. In September 2021, Telenor's offer of

“unlimited-data internet” was taken up by more than a million Hungarian households.

In the medium-sized and large business segment, which is the operator's traditional domain, Telenor started providing managed firewall services for cybersecurity and launched fibre-optic fixed internet under the name IrodaNet.

### **Bulgaria**

Telenor Bulgaria serves approximately 3.5 million customers, i.e. a third of the Bulgarian telecommunications market, where it successfully competes with other two major telecommunications operators.

In June 2021, Bulgarian Telenor launched its 5G network. This provided the company with technology that enables it to launch, among other services, a scalable fixed wireless access, an efficient alternative to fixed connections.

### **Serbia**

In 2021, Telenor Serbia entered the fixed-service sector and content distribution. Telenor made successful inroads into the Serbian household

sector by offering broadband internet access combined with IP TV and fixed telephony. Telenor also maintains a stable base of 3 million loyal customers in Serbia through its popular mobile app and regular Blue Friday campaign, which targets increased brand loyalty.

### **Montenegro**

Telenor's Montenegro's business model has gradually shifted away from prepaid services, moving instead towards plans offering unlimited calls, large data volumes, and other digital services. In 2021, Telenor retained top spot in the prepaid card segment.

In October 2021, PPF Telecom Group approved the sale of 100% of Telenor Montenegro to Hungary's 4iG Nyrt. The transaction was settled by the end of 2021.

\* At the end of 2021, Telenor Montenegro was sold to Hungary's 4iG Nyrt.

Leading wholesale provider of telecommunications infrastructure services for fixed and mobile networks in Central and South Eastern Europe. CETIN is a force driving digital transformation in all four countries of operation thanks to investments in advanced technologies and cutting-edge services.

**C**ETIN was established in the Czech Republic in 2015 when the infrastructure arm of the O2 operator was successfully spun off into a separate company. In 2020, the infrastructure was similarly separated from the commercial activities of Telenor operators in Hungary, Bulgaria, and Serbia in the same way, and the regional CETIN Group was established.

CETIN Group's vast networks and infrastructure are kept reliable and stable by continuous technical supervision. They provide cutting-edge voice and data services, including television broadcasting services, IT services, and cybersecurity to Telenor (rebranded as Yettel as of March 2022) in Hungary, Bulgaria, and Serbia, and to O2 Czech Republic, as well as to other wholesale customers in the region and beyond.

In October 2021, PPF Group and GIC, a major international investment and infrastructure fund based in Singapore, struck an agreement that saw GIC acquire a 30% stake in CETIN Group.



“The partnership with GIC will enable CETIN Group to benefit from the experience of a leading global infrastructure fund. This unlocks opportunities for our further growth in the telecoms infrastructure market.”

Juraj Šedivý,  
CEO, CETIN Group

### Czech Republic

CETIN's mission is to build, operate, and constantly innovate a reliable, secure, and fast telecommunications infrastructure, which is essential for the further digitalisation and competitiveness of the Czech economy.

CETIN owns and runs the largest electronic communications network in the Czech Republic and is a wholesale provider of telecommunications services. It offers its services, always under the same conditions, to all

telecommunications operators and internet access providers who supply services to end customers via the CETIN infrastructure. 99.6% of Czech households rely on the CETIN network's fixed and mobile technologies.

CETIN provides mobile network infrastructure services, fixed network services for households and businesses (network access services, xDSL and fibre-optic connectivity, IP TV, and voice services), data services for corporate networks, and data centre leasing. CETIN also provides international voice services for domestic providers and more than 200 telecommunications operators worldwide.

As the owner of the largest communication infrastructure in the Czech Republic, CETIN invests billions of crowns annually in its development. In 2021, the company continued to build FTTH (fibre-to-the-home) connections, increasing the average access network, speed to 177 Mbps, two thirds faster than in 2020.

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In 2021, CETIN continued to implement 5G technology, including the provision of 5G signal coverage in the Prague metro. The comprehensive upgrading of technologies used in the mobile access network is increasing the overall network capacity and thus the quality of service. High level of cybersecurity of CETIN's 5G network infrastructure is guaranteed by using Ericsson's technology.

#### **Hungary**

In 2021, the company launched 5G technology, and further upgraded its radio access network. By increasing the capacity and fibre-optic cable coverage, CETIN Hungary has made its infrastructure ready for growth in demand for internet TV. The newly established security operations centre is fundamental to the cybersecurity offered to corporate and retail customers. CETIN's ISO14000 environmental management system for its backbone network has resulted, among other things, in improved network energy efficiency thanks to the photovoltaic power supplied to selected base stations. This

has proved a successful model that CETIN will continue to actively develop in its network in other countries.

#### **Bulgaria**

In 2021, CETIN Bulgaria launched a number of major projects, including the roll-out of 5G service in more than 160 towns and villages. It offered customers fixed wireless access (FWA), delivering stable, fast connectivity to homes and offices, as an alternative to fixed connections. The acquisition of the technology companies Sofia Communication and Raccom expanded CETIN's fibre network in the capital, Sofia. Here, with local partners, CETIN offers fast connectivity to corporate customers and other operators.

#### **Serbia**

Last year, CETIN Serbia successfully pursued a strategy to become, a wholesale provider of infrastructure and innovative smart connectivity solutions. The company has won new major clients, including the government's Information Technology Authority, to which it provides

cybersecurity and data centre services. The company also embarked on modernisation projects in a number of areas and successfully expanded its ISO certification portfolio.



“If people and society are to benefit from new technologies, innovative partnerships need to be fostered across the entire ecosystem, encompassing mobile operators, infrastructure providers, equipment manufacturers, and central and local government, and citizens must be provided with reliable and trustworthy information.”

Vladimir Skulić,  
CEO, CETIN Serbia

O2 Czech Republic is the largest telecommunications operator in the Czech Republic. It provides voice, internet and data services to a full range of customers: households, SMEs, large corporations, and government. With its O2 TV service, it is the largest operator of internet television broadcasting in the country.

Operating in a highly competitive, highly saturated telecommunications market, O2 CZ excels by combining the most affordable fixed internet, a superior mobile network, and attractive television content. While mobile telecommunications services are its main revenue stream, O2 covers with its fixed internet 99% of the Czech Republic's inhabited territory, which makes it the largest internet provider for both businesses and households. O2 is one of the biggest players in hosting, cloud services, managed services, and ICT.

O2 CZ also focuses on developing and offering more unconventional telecommunications services, such as cybersecurity services, along with financial services such as device insurance or mobile travel insurance. Virtual operators also offer their services in the O2 CZ mobile network. In response to changing trends and market demands, O2 has launched new tariffs with unlimited data in the 5G network. O2 Spolu ("O2 Together") is a unique offering on the market that comprises family service packages custom built by customers themselves.

O2 concentrates its attention on technological advancements and innovation. The fifth-generation network expanded to nearly 60 towns and cities across

“In 2021, we had to contend with many pandemic-induced challenges: network traffic more than doubled, distribution channels became more difficult to operate, and customers would often have more urgent needs. Our response to this required not only additional investment in networks and capacity, but also increased effort and creativity from everyone at O2 during what were often challenging situations and circumstances. For all this, I owe them, more than anything, a great debt of gratitude.”

Jindřich Fremuth,  
CEO O2 Czech Republic

the Czech Republic in 2021. A new generation of the powerful O2 Smart Box, combining the functions of a modem, Wi-Fi router, and smart home hub, was launched. Other areas in which O2 is strongly committed include the development of artificial intelligence and big data, an area in which O2 subsidiary Dataclair.ai team specialises. O2 is also developing the financial services sector, smart city solutions and connectivity, and the autonomous mobility of the future.

With the O2 TV service, the company consolidated its position as the most popular IPTV provider in the Czech Republic. At the end of 2021, there were 603,000 active subscriptions, including customers using O2 TV Sport Pack online and O2 TV HBO and Sport Pack. The range offered by O2 TV was expanded to include ten new TV stations during the past year.

### O2 Slovakia

O2 Slovakia, until 31 December 2021 a wholly owned subsidiary of O2 Czech Republic, entered the Slovak market in February 2007 as the country's third operator. By 2021, it was serving 2.3 million customers in Slovakia. In early September 2021, the company rolled out 5G services in new locations and unveiled plans for the further building of fifth-generation infrastructure with Ericsson technology in Slovakia. Equipment of the same brand is now replacing components of the radio access network (RAN) as part of a large-scale technology upgrade in the O2 Slovakia network.

Corporate customers are catered to by O2 Business Services, a wholly owned subsidiary of O2 Slovakia, which offers a portfolio of fixed and mobile telecommunications services and ICT solutions.

CME is a media and entertainment company operating leading television stations in five Central and Eastern European markets. CME broadcasts across 34 television channels, reaches 45 million viewers and owns its own leading streaming platform. CME invests heavily in its own production, content, and distribution platforms.

CME, acquired by PPF Group in October 2020, pursues a strategy addressing to the global shift of consumer viewing habits from linear television to a subscription video on demand (SVOD) viewing model. It practices a windowing strategy aimed at maximizing monetization of its content across multiple distribution channels. CME leverages its traditional B2B business model where its revenues are largely driven by advertising and carriage fees, while growing direct distribution services to B2C SVOD customers. To execute its strategy, CME has embarked on complete digital transformation following its acquisition by PPF Group and aims to further its position as among the leading content producers across its markets in Central and Eastern Europe (Czech Republic, Bulgaria, Romania, Slovakia, and Slovenia). This large-scale investment in production is yielding a more diverse and innovative range of SVOD programming.

Extensive investment in local production is one of the principles underpinning CME's continued growth. Locally produced content accounted for approximately two thirds of the total cost of content broadcast in 2021.

In terms of acquired content, in 2021, CME acquired rights to broadcast high-profile European football matches in the UEFA Champions League, the UEFA Europa League, the Euro 2024 and 2028 tournaments, the Bundesliga, La Liga, and Serie A. CME launched two new sports channels, with plans for another in 2022. Live sports are set to be another catalyst for growth in the years ahead.

News programmes are an important element of programming, as they divert significant share and ratings to CME. CME's award-winning news teams adhere to the highest standards of journalistic ethics. They are guided by CME's editorial guidelines, which promote impartiality, decency, and independence.

SVOD has grown at an unprecedented rate in Europe, driven by consumers who have rapidly embraced technological advances. Investments in digitalisation and the Voyo platform have increased CME's subscriber base significantly in its markets. In the Czech Republic and Slovakia, subscriptions have quadrupled. This supports Voyo's ambition to become the leading local SVOD provider and

generate growth in the digital space. It is projected that the majority of CEE households will have two to three SVOD subscriptions within five years.

“As a leading producer of television and VOD content, we are well aware of our ability to promote and inspire audiences but we realize the need to first address our own on-screen and off-screen sustainable behaviors.”

Didier Stoessel,  
CME CEO for the Czech Republic,  
Romania, Slovakia, and Slovenia

CME is the first media company from the CEE region to become a member of albert, the international industry authority promoting environmental sustainability in the television and film industry.

# Data-driven Mobility

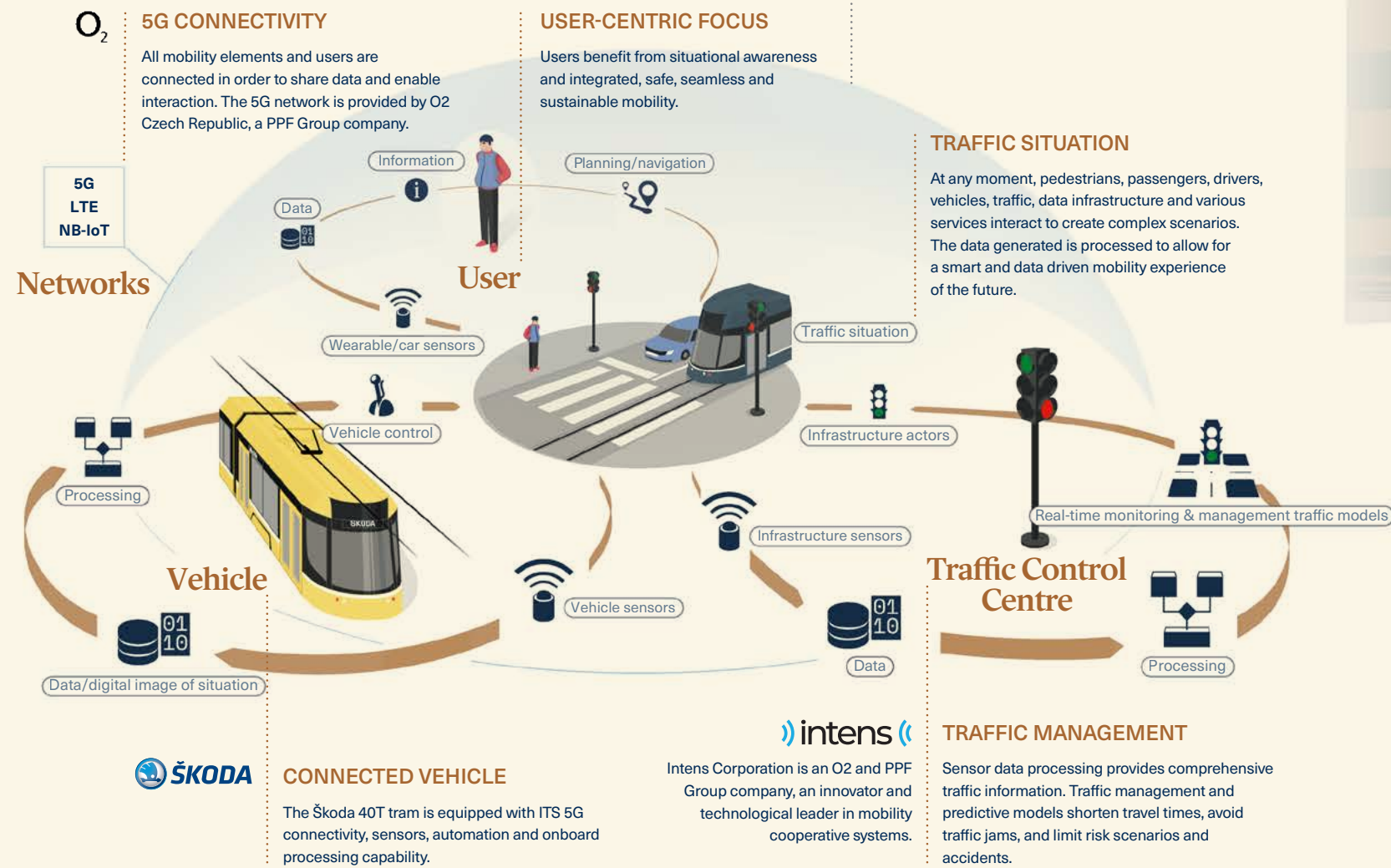
## Škoda Group



The advanced mobility solutions under development by Škoda Group represent a vision for future cities in Europe and around the world where mobility is a key component in the sustainable evolution of urban environments. Future mobility, as developed by Škoda, will improve services for passengers

and cities through safer, flexible, more permeable seamless public transport, and provide transport operators with scalable technology and mobility as a service solution with better economy and a much reduced impact on the environment.

In autumn 2021, a pilot 5G-connected mobility environment was launched in Plzeň. The scheme, compatible with the C-Roads Platform for future mobility solutions across the European continent, has transformed the West Bohemian metropolis into a testbed and living laboratory for smart autonomous systems.\*



### ŠKODA GROUP IN 2021

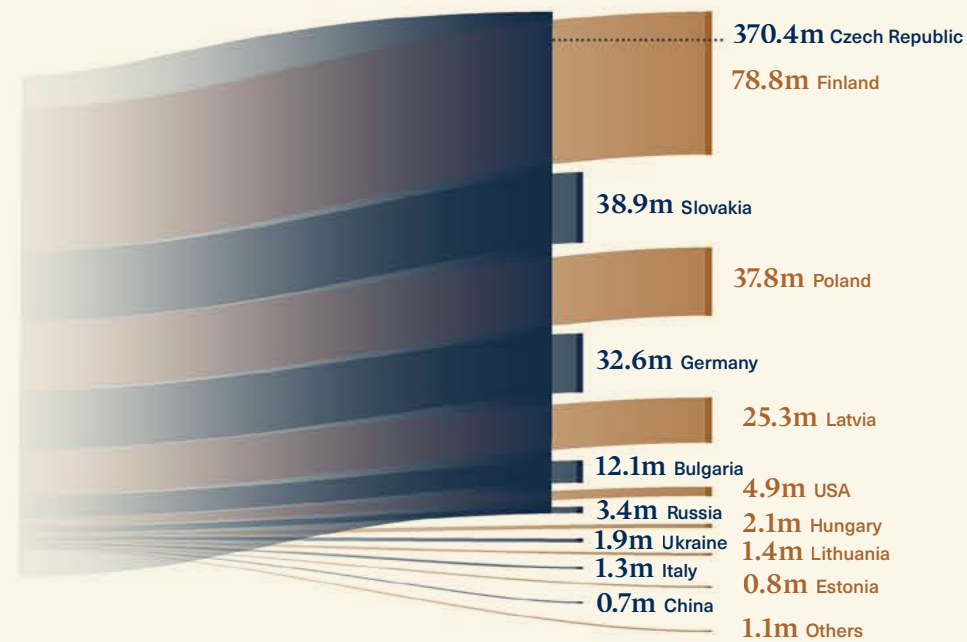
**EUR 614m**  
Total revenues

**EUR 3.6bn**  
Order backlog in 12/2021

**EUR 45m**  
EBITDA

**8,000**  
Employees

### ŠKODA GROUP REVENUES (2021) (EUR)



### MANUFACTURING SITES



### ŠKODA GROUP IN 50 COUNTRIES WORLDWIDE

Mobility solutions delivered and contracted 1920–2021

**5,500** Electric locomotives

**1,100** Low-floor trams

**16,000** Trolleybuses and buses\*

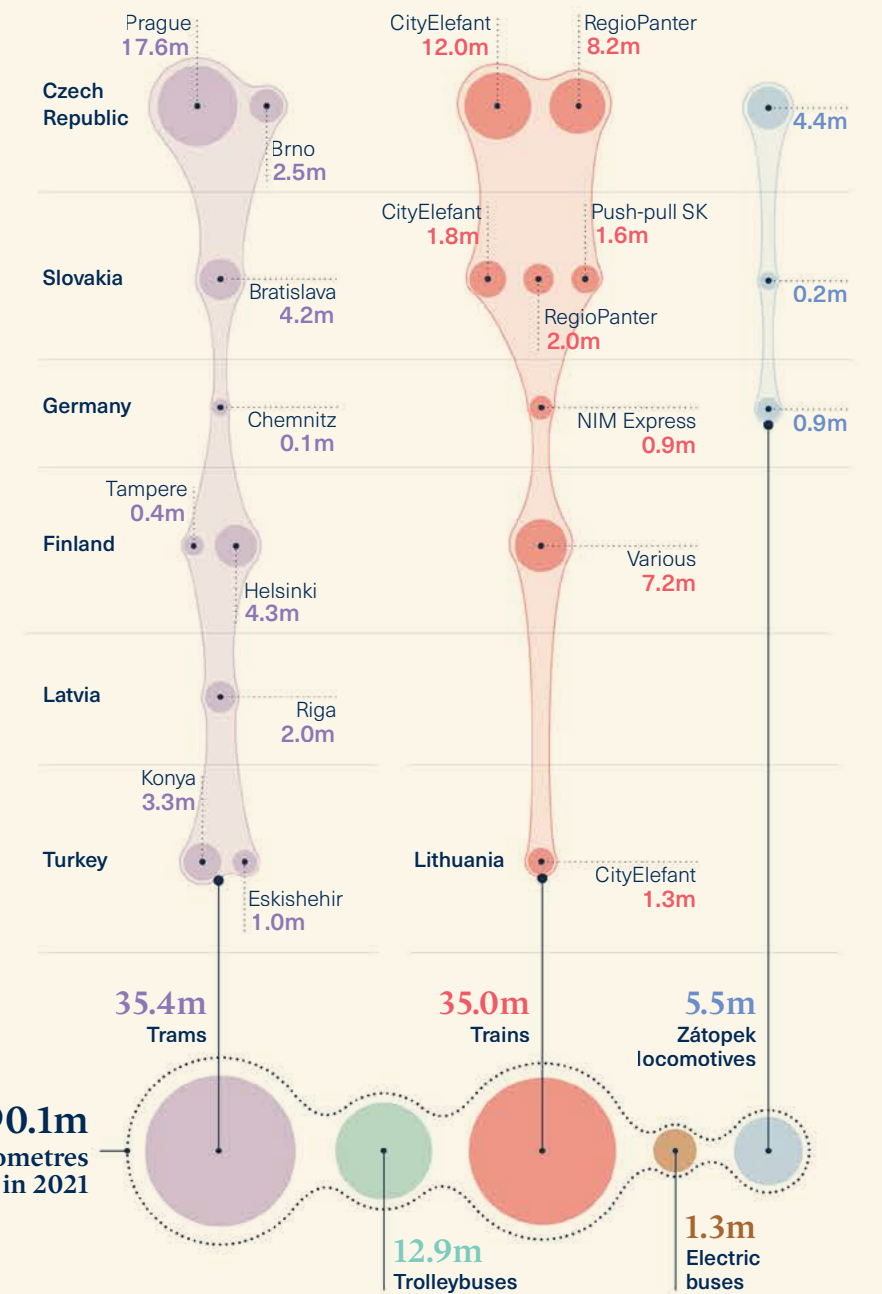
**1,290** Train electric units and passenger cars

**837** Metro trains

\*1,200 buses delivered by TEMSA in 2021.

### MILEAGE BY TRANSPORT CATEGORY (2021)

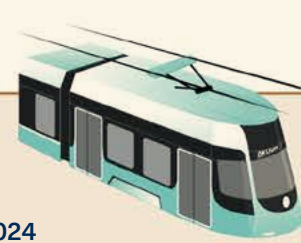
(Selected markets, km)



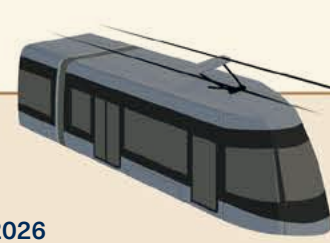
**90.1m**  
Total kilometres in 2021



**2022 TRAMS TODAY**  
Trams manufactured by Škoda Group for cities such as Plzeň, Brno, Bonn, Frankfurt and Helsinki.



**2024 5G CONNECTED VEHICLE – SAFE NOSE**  
The prototype of a tram designed to improve pedestrian safety in case of a collision with the tram.



**2026 DEGREES OF TRAM AUTOMATION**  
The semi-autonomous tram system monitors traffic situation and communicates with the surrounding environment.



**2030 FULLY AUTONOMOUS VEHICLE**  
The concept of a segmented autonomous tram designed for dynamically controlled transportation.



**DELIVERY SATRAM**  
A high level of vehicle development. The technical solution combines the design of trams and buses for both the

transportation of passengers and delivery of goods in order to use the vehicle and infrastructure capacity more efficiently.

### ADVANCED AND AUTONOMOUS TRAM SYSTEM DEVELOPMENT TIMELINE

\*The pilot project's partners include Plzeň City Hall, Plzeň City Transport Company, the Plzeň Information Technology Administration, Škoda Transportation, Škoda Digital, O2 Czech Republic and INTENS in conjunction with the University of West Bohemia in Plzeň.

An international leader in public transport solutions. Škoda is consolidating its market position by innovating, digitalising, and broadening its extensive portfolio of vehicles and services. Škoda Group's growth has facilitated significant investment in production capacity and jobs.

**T**he flagship of the Škoda Group is Škoda Transportation.

An important arm of the group is TEMSA, which it controls jointly with Sabanci Holding. The group's key business regions are the Czech Republic, Finland, Germany, the Baltics, Poland, and Slovakia.

Škoda Group develops a full range of public transport solutions for trains, trams, the metro, trolleybuses, and various types of buses, accompanied by comprehensive servicing and maintenance. The group is moving increasingly towards sustainable transport of the future and solutions for the data-driven, connected mobility infrastructure of future smart cities using 5G connectivity. The group has a digital division dedicated to the development and innovation of digital, control, and diagnostic systems for vehicles. Škoda Group's vehicles are environmentally friendly, with almost all of them running purely on electricity and producing no emissions. In 2021, Škoda also launched the development of a new-generation hydrogen drive buses.

In the face of the COVID-19 pandemic, Škoda Group still significantly increased its profitability, sales, and new orders in 2021. Despite global supply chain problems and labour shortages, Škoda scaled up production and launched new projects for foreign markets, reflecting

its status as a leading exporter that dispatches some 60% of its orders abroad. In 2021, the group recorded sales of EUR 614 million, EBITDA of EUR 45 million, and a net profit of EUR 33 million. The number of group employees increased by 26% year on year to some 6,500 (8,000 including TEMSA). There was also a solid rise in the volume of work contracted, which increased to around EUR 3.6 billion.\* This means that the group's production capacity will be full until approximately 2025. In 2021, Škoda invested EUR 71 million in, among other things, an increase in production capacity in Plzeň, Ostrava, and Šumperk.

In 2021, Ostrava-based Ekova Electric (now Škoda Ekova) was incorporated into Škoda Group and added the production of new trams to its existing servicing and upgrading operations. Last year, Škoda Group delivered RegioPanter electric trains and InterJet carriages to its largest railways customer, České dráhy, and introduced new-generation push-pull trains for the Moravian-Silesian Region. During the year, the group made trainsets for the Warsaw metro and trams for German cities, and progressed to further stages in the delivery of solutions to the cities of Plzeň and Ostrava. Trams for Riga and NIM Express trains for Germany were also delivered. New contracts include the delivery of electric trains

to Slovakia and trolleybuses for a number of European cities. The delivery of the first electric buses for Prague was an electromobility milestone.

#### **TEMSA**

This Turkish transport equipment manufacturer with a broad portfolio that includes municipal and intercity buses and coaches has operations in nearly 70 countries. It has subsidiaries in France, Germany, and the US that support sales and provide after-sales services. The main plant in Adana has an annual production capacity of 10,000 vehicles. The company is a major local employer with a workforce of more than 1,300 staff. In 2021 TEMSA reported total revenues of EUR 163.5 millions.

Synergies between TEMSA and Škoda Group companies play a major role in plans for further growth and expansion into international markets, including Western Europe, through jointly developed smart mobility solutions. TEMSA runs Turkey's first research and development centre for buses. One of this facility's projects is the development of the promising MD9 electric CITY electric bus.

\*Unaudited consolidated figures based on international accounting standards for the 2021 financial year. Revenues do not include TEMSA's results as this company is consolidated using the IFRS equity method. The number of employees at TEMSA (a 50% joint venture) is included in the total.

CzechToll's satellite toll system is part of PPF Group's strategic plans for telecommunications infrastructure. With its modern, scalable technology, it gives the Czech government a tool for advanced traffic management and facilitates the efficient management of transport infrastructure.

CzechToll built and, since December 2019, has operated a satellite toll system in the Czech Republic for vehicles weighing over 3.5 tonnes. This project saw the world's first ever seamless introduction of modern new-generation, scalable satellite technology to replace an existing electronic toll system's technologically outdated and costly microwave system. The cost to the government of operating the new system is three times lower than the previous-generation solution. The sophisticated toll collection system was developed and built entirely in the Czech Republic, with a hundred domestic companies involved in its construction. The toll system in the Czech Republic was launched by CzechToll together with SkyToll, the Slovak electronic toll and vignette system operator.

The CzechToll system worked reliably and without interruption throughout 2021. In each calendar month, it outperformed the parameters contractually defined for service quality and for the

efficiency of toll collection for the Czech government. Over the year as a whole, hauliers paid CZK 14.2 billion for the use of toll roads, 23% more than in 2020. Of that amount, CZK 1.63 billion came from the use of class I toll roads and the remaining CZK 12.56 billion was charged by CzechToll for the use of the motorway network.

## 2021

643,000 vehicles over 3.5 tonnes registered in the electronic toll system

more than 164,000 vehicles in the register have Czech number plates

over 530,000 on-board units have been issued to carriers

A major advantage of satellite technology is the flexibility it provides to the government in the collection of tolls, as exemplified by the fact the toll road network in the Czech Republic could be extended by almost 900 kilometres of class I roads on 1 January 2020, one

month after launch. In response to a government decision, CzechToll is preparing to make another extension with effect from 1 July 2022, when new tolling will be introduced for more than 380 kilometres of class I roads.



“The government-mandated parameters according to which we built the satellite toll system were based on new technologies and 13 years' experience of operating the first-generation microwave toll system. As a result, the cost of toll collection in the Czech Republic is less than 7%, making this one of the most efficient systems of its kind in the world.”

Matej Okáli,  
CEO CzechToll

PPF Real Estate Holding manages real estate assets worth of almost EUR 3 billion. This internationally prominent developer and investor owns properties on the European, Russian, and US markets. It is dedicated to managing and growing a portfolio of properties and projects with value-add potential in prestigious locations, as well as prospecting for new real estate investment opportunities.

**P**PF Real Estate Holding operates in the Czech Republic, Germany, the Netherlands, Poland, Romania, Russia, Ukraine, the UK, and the US. The company actively assesses business opportunities in these countries, in new markets overseas, and elsewhere in Central and Eastern Europe. Alongside its acquisition activities PPF Real Estate is dedicated to the long-term stabilisation of its assets and real estate portfolio in the markets where it operates. In its role as a real estate developer, the company strives to take into account the needs of sustainable planning and development, use energy-saving technologies, and create a healthy, modern environment for the users of its properties.

Despite the global pandemic's detrimental effect in 2021, PPF Real Estate's business proved resilient by suffering only a limited adverse impact. During the year, the company continued to consolidate its portfolio and sold a number of

non-essential projects, particularly in Russia. The company took a significant step of entering the US market with its first transaction signed in 2020 and completed in 2021. The acquisition of large office projects in Atlanta and Orlando, totalling over 170,000 m<sup>2</sup>, was worth more than USD 460 million. PPF Real Estate took on its first commercial property on the Polish market in 2021, when it acquired the New City project in Warsaw, with an estimated market value over EUR 100 million.

In the Netherlands, the company's real estate investments comprise seven office buildings and a shopping centre with a total lettable area of over 150,000 m<sup>2</sup>. In the UK, one of the projects being pursued by PPF Real Estate is a major office building refurbishment in the City of London. In London it also owns and lets three modernised Victorian houses.

In Russia, in 2021 PPF Real Estate offered leases on commercial properties that it either owned or co-owned with other major investors. These included the Metropolis office buildings in Moscow, co-owned with Hines, and a joint project with Radius Group to develop South Gate Industrial Park, which is a large logistics estate in the same region. In 2021, PPF Real Estate operated its own Nevsky Centre shopping complex in Saint Petersburg and a large-scale Comcity project in the Moscow region, offering retail space and offices with a total area of more than 115,000 m<sup>2</sup>.

PPF Group's life insurance company in Russia, PPF Life Insurance, was one of the most active and stable providers of innovative products and services in the life insurance segment in 2021. After nearly 20 years of operations, it was among the top three providers in the country by number of long-term life insurance clients and the second largest insurer in terms of the size of its network of agents/financial advisers.

**T**he insurance market in Russia boomed during 2021. Despite the impact of the COVID-19 pandemic, it reported growth, benefiting from the public's growing financial literacy and an expansion of the financial products distribution network. The fact that life insurance products had not previously been particularly widespread in Russia and that unit-linked life insurance was gradually being replaced with classic whole-life insurance, which is savings linked, also played a role in this dynamism.

In 2021, PPF Life Insurance focused on life insurance policies with an average horizon of more than 20 years.

The main sales channel for these products was the company's own network of agents/financial advisers, which was one of the largest in the country with a presence in 65 cities across Russia. The company's own distribution network was a guarantee of a high standard of service throughout the term of insurance contracts.

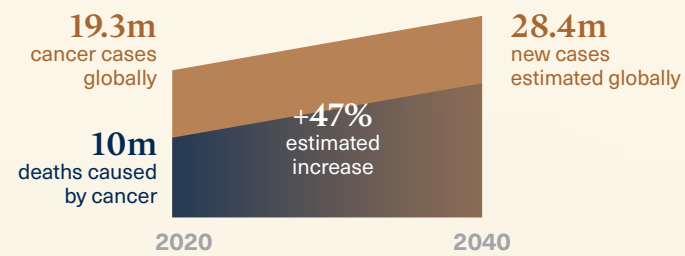
The total volume of premiums written by PPF Life Insurance in 2021 yielded an 10.2% year-on-year increase to RUB 4.8 billion (EUR 55 million). New business generated even higher growth of 12%. The number of PPF Life Insurance policyholders topped 230,000 last year.

Reflecting the focus of its insurance products, PPF Life Insurance supported financial literacy initiatives, cancer prevention, and specialised cancer treatment across Russia in 2021.

# Fighting Cancer

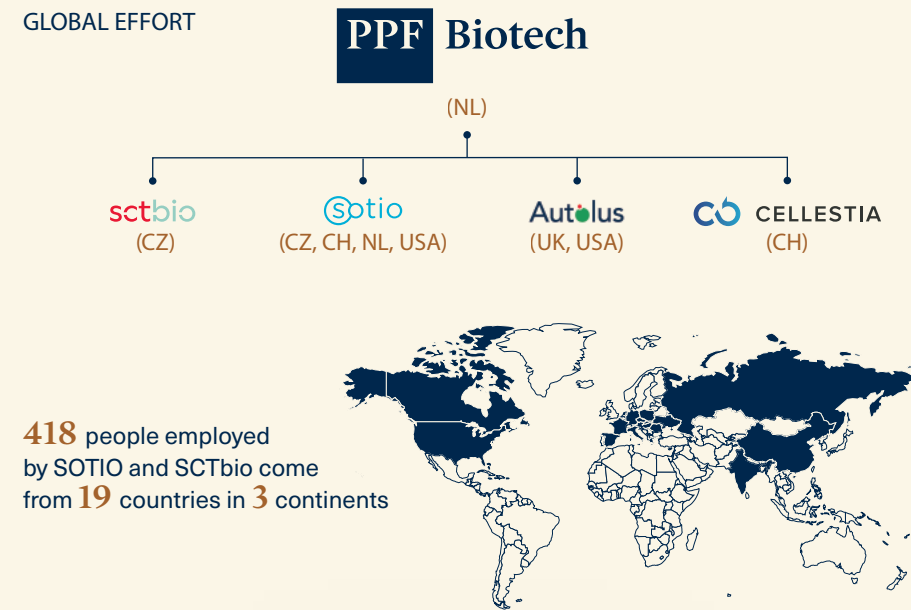
SOTIO Biotech is a biotechnology company developing innovative therapies that harness the immune system and focus primarily on immuno-oncology, translating science into patient benefit. The company's international research and development teams work hard to create various effective weapons that directly destroy cancer cells or help the immune system to fight various oncological diseases.

PPF Group committed itself to providing €280m funding to SOTIO in order to significantly expand and advance its clinical pipeline, including its lead asset SOT101, an IL-15 super-agonist, and three new clinical programmes by the end of 2023.\*



In most countries, cancer is the number one or two reason for deaths before 70 years of age.

GLOBAL EFFORT



## SOTIO BIOTECH PIPELINE

In 2022, there are plans to launch three new clinical trials with products that are to be tested on patients for the first time.

Therapy	Product	Indications	Preclinical	Phase 1	Phase 2
Interleukin-15 superagonist	SOT101	Multiple solid tumours	Monotherapy		
			Pembrolizumab combination		
Immunocytokines	SOT201	Multiple solid tumours			
	SOT202	Multiple solid tumours			
ADC Antibody-drug conjugates	SOT102	Gastric, pancreatic, other			
	SOT107	Prostate cancer			
	SOT106	Multiple solid tumours			
CAR-T	BOXR1030	HCC, SCC, sarcoma, MCC			
	SOT302	Multiple solid tumours			
	SOT303	Multiple solid tumours			

This is a simplified diagram of the human immune system. The image is not intended to describe its operation in detail. The aim is to provide a pop-science presentation of selected elements.

### INITIATION OF THE IMMUNE RESPONSE AGAINST CANCER

Tumour cells first need to die a proper type of cell death in order to be recognised by the immune system as dangerous. Dying tumour cells are then recognised by dendritic cells (DCs) and their fragments are presented to the effector components of the immune system, especially T lymphocytes.

There are many subsets of T lymphocytes. Their role is both to coordinate the antitumour immune response and to directly kill the tumour cells. SOTIO programmes modulate the antitumour immune response at various stages of this process.

### ADC – Antibody-drug conjugates (SOT102, SOT107)

SOT102 and SOT107 ADCs are fusions of a tumour-targeting antibody with PNU, a toxin that is thus specifically delivered to the tumour cells without damaging healthy tissue. Besides having a direct cytotoxic effect on the tumour cells, ADCs also induce the specific type of cell death that facilitates the initiation of the antitumour immune response.

### Immunocytokines (SOT201, SOT202)

Immunocytokines are fusions of SOT101-based molecules with monoclonal antibodies that can specifically target structures of interest and ensure a site-specific localised effect of IL-15.

SOT202 targets the IL-15 superagonist directly at tumour cells and SOT201 delivers the IL-15 component to the T cells together with a checkpoint inhibitor.

### CAR-T (BOXR1030, SOT302, SOT303)

BOXR is a next-generation CAR-T cell platform focusing on solid tumours. BOXR CAR T cells are genetically modified T lymphocytes that have the enhanced ability to specifically kill tumor cells.

Through BOXR genetic modification, CAR-T cells remain active and capable of killing tumour cells in an environment that has low glucose and low oxygen levels.

### Interleukin-15 superagonist (SOT101)

SOT101 is an enhanced modification of interleukin-15 that amplifies and stimulates cytotoxic T lymphocytes and NK cells that can directly kill tumour cells. Its mechanism of action allows it to be combined with many clinically established treatments in oncology, such as immune checkpoint inhibitors or monoclonal antibodies.

\*Funding is contingent on reaching certain development and regulatory milestones.

The group of biotech companies within PPF's Biotech arm that researches and develops innovative cancer treatments and translates compelling scientific knowledge in the field of immunotherapy into clinical trials. Teams of leading experts from all over the world work for SOTIO as part of its extensive international activities. SOTIO Group runs its own laboratory facilities in Prague and in the US.

**S**OTIO has been part of PPF Group since 2012 and manages its biotechnology activities. It is building a diversified portfolio of immuno-oncology products based on its own research and development, partnerships, licensing agreements, investments, mergers, and acquisitions. It has a presence in both Europe and the US, with its principal centres located in Prague in the Czech Republic, Basel in Switzerland, and Cambridge in Massachusetts, where it has recently built a new centre of excellence for T-cell therapy research and development. SOTIO plans to open new state-of-the-art GMP laboratories at the centre in 2022.

SOTIO's research and development programmes embrace IL-15 superagonist-based products, including immunocytokines, personalised cell immunotherapy based on its CAR T platform, and next-generation antibody-drug conjugate (ADC) anticancer products.

SOTIO validates the safety and efficacy of its products in a full range of clinical trials – the Group has conducted

thirteen trials in Europe and the US since 2012. In 2022/23, the newly developed products BOXR1030 (CAR T), SOT102 (ADC), and SOT201 (immunocytokine) will advance to the clinical trial phase. In late 2021, SOTIO entered into a collaboration agreement with the global pharmaceutical company MSD (Merck) with the purpose of jointly conducting an extensive Phase II clinical study to evaluate the safety and efficacy of IL-15 superagonist SOT101 in combination with MSD's KEYTRUDA® (pembrolizumab).

In November 2021, SOTIO licensed the technology of South Korea's LegoChem Biosciences for the development of five new antibody-drug conjugate (ADC) programmes. SOTIO will be responsible for the research, preclinical and clinical development, and commercialisation of the products.

In 2021, SOTIO's division engaged in the research and development of immunotherapy treatments for cancer based on antibody-drug conjugates was spun out from SOTIO a.s., a biotechnology organisation, into a newly formed entity, SOTIO Biotech a.s. The original

company, renamed SCTbio a.s., continues to manufacture modern cell therapy products and provide logistics support for clinical trials.

#### **SCTbio**

As the servicing organisation for other SOTIO Group companies, SCTbio manufactures cell therapies for the treatment of cancer. It also provides other SOTIO Group companies and external partners with logistics and other services related to the manufacture of autologous and allogeneous medicinal products, including genetically modified and viral vectors.

#### **Other PPF Biotech holdings**

PPF Group's biotech portfolio also includes investments in Cellestia Biotech, a Swiss company, and Autolus Therapeutics, a UK company.

A retail and distribution company wholesaling and retailing brand-name consumer electronics, tools, telecommunications and office equipment. It operates in the Czech Republic and Slovakia, with subsidiaries in Hungary and Poland. It has dealerships and distributorships in 55 other countries worldwide.

**F**AST Group has a wealth of knowledge and experience in the sale, research, development, and testing of the products it supplies to all sales channels and retail chains in the Czech Republic, including its own PLANEO Elektro network. PPF Group bought into FAST Group in 2021 with a 40 per cent stake. Other shares are held by EC Investments and Rockaway Capital.

FAST Group has long focused on expanding its product portfolio in established segments and consolidating the foothold of its own key brands. It places particular emphasis on SENCOR, Fieldmann, Yankee, and Catler. FAST holds the licence for Philco-branded products in Central Europe and several other markets. FAST currently owns 15 consumer electronics and tool brands. With its most profitable brand, SENCOR; which is well established among customers and retailers; FAST is focusing on innovating, developing,

and improving its product portfolio, supporting end customers, and strengthening the brand's marketing position. In addition to its own brands, the group distributes the products of more than 100 other brands, including Sage and SodaStream.

In 2021, FAST successfully kept to turnover and profit growth, mainly on account of its resilient and forward-looking business model. FAST is building an extensive retail network with the vision of further long-term sustainable expansion. It is looking for promising sites where its business can flourish in the Czech Republic and abroad. It continuously monitors and analyses the profitability parameters of individual shops and is constantly improving the sales network.

The preparation of in-house B2C online sales platforms is one of the key development areas used by FAST to respond to what is happening in

the market, as well as to the recent pandemic-induced retail restrictions, which have significantly accelerated the advancement of e-commerce. As such, FAST is investing heavily in the digitalisation and automation of operations for better customer support and an improved customer experience, and as a way of boosting the company's technological competitiveness.

In its international business operations, FAST is preparing to open distribution centres in other EU countries, especially in the Balkans and the Baltics. These new centres will introduce opportunities for further commercial activities, along with support for existing and new business partners, as well as services and products in both the B2B and B2C segments.

Currently Europe's largest group of price comparison websites and online shopping advisers. Heureka Group is building an integrated, regional e-commerce platform across nine markets in Central and Eastern Europe that is designed primarily to help e-shops, brands, and other partners to connect with users in all the countries in which it operates.

Every month, Heureka Group websites are visited by over 23 million users, who can browse 55,000 online stores. Besides the Czech and Slovak e-commerce services, Heureka Group includes Árukereső.hu in Hungary, Compari.ro in Romania, Pazaruvaj.com in Bulgaria, Ceneje.si in Slovenia, Jetfinije.hr in Croatia, Idealno.rs in Serbia, and Idealno.ba in Bosnia. PPF Group holds a 40 per cent stake in Heureka Group. The other Heureka shareholders are EC Investments and Rockaway Capital.

Heureka continued to develop its services and technologies in 2021. Heureka's acquisition of Dataweeps in March 2021 enabled it to offer e-shops advanced analytical tools that they can use to manage their offerings on its platform. Heureka's customer behaviour data and statistics from all nine countries make it a key development partner in evolving their product offering to customers and growing their sales further. In order to improve

the service and user experience, Heureka is developing machine learning capabilities.

By steadily building up a one-stop catalogue with tens of millions of products that bundles offerings from all countries where Heureka operates, Heureka has managed to deploy a vast database of more than a million automatically translated customer reviews. The rolling matching of products across European markets is designed to make it possible, in the future, to browse, buy, and rate products from all Heureka countries, regardless of which country a customer accesses Heureka's offerings from.

In 2021, the COVID-19 pandemic provided a real-life stress test of the robustness and capacity of the entire e-commerce sector. Despite a jump in user growth, Heureka maintained a high level of customer satisfaction with its e-shop interface and services during the year. At Heureka, customer satisfaction is a key criterion for

decision-making on the further development of the platform's services and features. That is why, every year, Heureka assesses and announces the winners of its competition to find the best e-shops in each of its markets. It awards online shops Verified by Customer certificates based on the experience of millions of shoppers. In the past year, Heureka customers gave over 6.5 million reviews and ratings within the framework of the Verified by Customers programme, 10% more than the previous year.

Mall Group is Central and Eastern Europe's largest e-commerce group. Its portfolio combines e-commerce and financial services for online shopping and creates an entire shopping-centric platform of expanding services and features for 21st-century e-commerce.

**T**owards the end of 2021, Allegro, one of the largest e-commerce platforms in Europe, agreed with its shareholders to acquire a 100 per cent stake in Mall Group. The deal was completed in April 2022. Prior to Allegro's takeover, Mall Group had been co-owned by PPF Group, EC Investments, and Rockaway Capital Group. PPF Group's stake was 40 per cent.

In 2021, Mall Group operated in nine countries (CZ, AU, IT, HR, HU, PL, RO, SK, SLO) and, with more than 3,600 employees, offered its services to 130 million people across Central and Eastern Europe.

In 2021, the constraints associated with the pandemic gave an extraordinary operational and commercial boost to the entire e-commerce sector, including Mall Group. Mall Group's total sales in the 2021 calendar year came to CZK 19.1 billion.\* The group delivered over 12 million orders placed by

5 million unique customers. Mall itself experienced major transformation, transitioning from an e-shop to a marketplace where customers can find goods from thousands of e-shops in one place. With more than two million products, it consolidated its position as the retailer with the widest range of goods on the Czech market. In 2021, its sales grew by more than 30%. The number of merchants in the Mall online marketplace doubled year on year to almost 2,100.

This growth was driven not only by an increase in online shopping, but also by a significant reduction in cost and greater efficiency in the processing and management of orders, an improvement in transaction economics, growth in international markets, the Mall Group's transformation, and the development of the Mall Partner programme, which is now up and running in the Czech Republic, Slovakia, Poland, Hungary, and Slovenia. About 450,000 people registered with the mallpay financial service in 2021.

The website of CZC.cz, the number two on the online electronics market, received over 60 million visits in 2021. The B2B segment was particularly successful, with a 30% year-on-year increase in sales. Košík.cz, the online supermarket, underwent significant changes: the warehouse was rebuilt in order to make a significant increase in daily capacity, and deliveries were speeded up to improve the customer experience. At the beginning of 2021, Košík.cz was spun off into a separate entity, MFresh Holding 1 s.r.o. In the summer of 2021, EP Corporate Group acquired PPF Group's stake in MFresh Holding 1 s.r.o.

\*This figure does not include Košík.cz s.r.o., which was spun off from Mall Group at the beginning of 2021.

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# O2 arena, O2 universum, and STAGES HOTEL Prague

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Leisure

O2 arena is one of the leading facilities in Europe and, with a capacity up to 20,000 seats, it is the largest arena in the Czech Republic. Together with O2 universum, a modern multifunctional conference and cultural center, and STAGES HOTEL Prague, which was opened in November 2021, it offers unique facilities with high-quality services for organisers and visitors of the most important music shows, sports, conference and corporate events.

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## **O2 arena**

O2 arena's programme in 2021 was severely curtailed by the coronavirus pandemic and restrictive measures, and it did not reopen its doors until September. Calendar full of events that had originally been planned was reduced to a few concerts of local artists and home matches of the HC Sparta Prague ice-hockey team. In November, O2 arena successfully hosted two major multi-day sports events – the first-ever Billie Jean King Cup women's team tennis final and another year of the finals of the prestigious Global Champions Prague Playoffs jumping series.

## **O2 universum**

Events hosted by this 39-hall multifunctional center included the popular Comic-Con festival, the Oktagon 28 MMA evening, and a number of private corporate functions and

events for industry professionals, including the successful Forum Media conference.

O2 universum was the venue for numerous technologically challenging online and hybrid events, including the prestigious five-day World Congress of Anaesthesiologists (WCA) with an online broadcast to more than 6,000 international attendees.

## **STAGES HOTEL Prague**

The new STAGES HOTEL Prague, which was opened on 1 November 2021, is operated as a part of the Marriott's brand Tribute Portfolio. The hotel's architecture and interiors were inspired by the music and concerts hosted by O2 arena and O2 universum in its immediate vicinity. The 300-room hotel offers six conference rooms, catering services, and

other facilities. The construction of the hotel was an opportunity to transform the surrounding area. The space around O2 arena, O2 universum, the hotel, and in fact the entire area, is emerging as an attractive centre for the Prague 9 district.

In 2021, PPF Group and Groupe Beneteau, the world's leading leisure boat manufacturer, jointly acquired stakes in the global companies Dream Yacht Charter and Navigare Yachting with the aim of building a new global leader in the sailing yacht charter segment. At a time of decline in traditional international tourism, these acquisitions meet the growing demand for customised, sustainable leisure activities.

The investment combines the assets of Dream Yacht Charter, the segment leader, and Navigare Yachting, which is number four in the industry. Their total sales in 2019, before the coronavirus pandemic struck, exceeded EUR 200 million. PPF Group holds a 59 per cent stake and Groupe Beneteau a 41 per cent stake in the joint venture. Through this alliance, they are pooling together to cultivate a significant presence in the otherwise fragmented global sail boat charter market, which was worth EUR 1 billion annually prior to the COVID-19 pandemic.

Customers can take holidays at sea in any of over fifty destinations around the world, including the Caribbean, the Mediterranean, the Indian Ocean and the Pacific Ocean. Together, these two charter companies and their

subsidiaries, including the fast growing online booking platform SamBoat, operate the world's largest leisure fleet, numbering over a thousand sailing boats and catamarans. The fleet spans a range of sailing boat categories, including smaller monohull vessels, larger catamarans for groups and families, and larger, comfortable houseboats.

The Dream Yacht Charter and Navigare Yachting offerings benefit from the demand for environmentally friendly tourism with a low carbon footprint, boosted by the industry's gradual offline-to-online switch. Technological advances and changes in consumer behaviour are working to the advantage of online platforms that are owned and operated by charter companies to provide boat owners and clients with customer-facing apps for bookings and other services.



“Yachting, sailing boat chartering, and leisure cruising are a globally growing industry and an exemplary pathway to a more sustainable and environmentally friendly leisure future.”

Loic Bonnet,  
CEO, Dream Yacht Charter



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# Significant Events at PPF Group

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# Significant Events at PPF Group

## 2021

### February

PPF Group initiated the major undertaking of merging Air Bank, the Czech and Slovak arms of Home Credit, and Zonky with MONETA Money Bank. The first step was a tender offer to voluntarily buyout part of MONETA's shares from existing shareholders in February 2021. PPF acquired almost 30% of the shares in MONETA during the first half of 2021.

### March

On 28 March 2021, Petr Kellner, founder and majority shareholder of PPF Group, died in tragic circumstances when the helicopter he was in crashed in the Alaskan mountains in the US. Long-time Group shareholder Ladislav Bartoníček was entrusted with the management of all Group operations.

PPF entered the US real estate market when it purchased Mansell Overlook, an office complex in the Atlanta metropolitan area.

### May

PPF Group placed O2 universum at the Czech government's disposal free of charge so that the Prague-based National Vaccination Centre could be set up and run from this multi-purpose venue. Over the four months that it was open, it served 570,000 people. This centre, the largest of its kind in the country, was operated by Prague's Military University Hospital, assisted by the Czech army.

### June

Effective as of 1 June 2021, PPF Financial Holdings B.V. – the company enveloping PPF Group's financial-sector investments (Air Bank, PPF banka, ClearBank, Home Credit and Mobi Banka) – relocated its headquarters from

the Netherlands to the Czech Republic. This move saw PPF Financial Holdings a.s. incorporated as a company in the Czech Republic.

Having acquired more than 90% of O2 Czech Republic shares, PPF announced plans to buy out minority shareholders and delist the operator's shares from the Prague Stock Exchange.

### July

PPF teamed up with Groupe Beneteau, the prominent French boat builder, to enter the yacht chartering segment. Together, the two partners acquired a controlling stake in Dream Yacht Charter and a joint venture stake in Navigare Yachting, with bases in more than 50 marinas worldwide.

### October

PPF struck a deal with GIC that would see the Singapore-based global investment fund take up a 30% minority shareholding in CETIN Group, the international telecommunications infrastructure group.

PPF Telecom Group reached an agreement with Hungary's 4iG Nyrt on the sale of a 100% stake in Telenor Montenegro; the transaction was then executed in December 2021.

PPF Group, EC Investments, and Rockaway Capital reached a joint agreement to sell their 100% stake in Mall Group, the e-shop operator serving the Czech Republic and another eight European countries.

### December

PPF Real Estate kept expanding in the US market by acquiring a large office centre South Park, in Orlando, Florida. The transaction was one of the largest deals in this segment in the central Florida region in 2021.

Biotechnology company SOTIO signed an agreement to collaborate on a major clinical trial with global pharmaceutical corporation MSD (the trade name of Merck & Co., Inc.).

PPF entered the Polish real estate market when holding company PPF Real Estate acquired the New City office centre, a premium property in Warsaw.

At its general meeting, MONETA Money Bank shareholders endorsed the merger of MONETA with Air Bank and its affiliates.

## 2022

### January

PPF Group announced that O2 Czech Republic a.s. shares would be withdrawn from trading on the Prague Stock Exchange until the end February 2022. In accordance with a general meeting resolution, PPF Telco B.V., O2 CR's principal shareholder, undertook the process of transferring O2 CR's shares to the principal shareholder and buying out shares from the remaining O2 CR shareholders.

### February

PPF Group, through its subsidiary CME Media Enterprises signed an agreement with RTL Group Central & Eastern Europe to acquire 100% of RTL Hrvatska, a commercial broadcaster in Croatia.

PPF Group (through PPF Foundation) and The Kellner Family Foundation announced an agreement with the Czech Ministry for Education on a joint CZK 100 million donation to fund a programme for the integration and primary education of refugee children from war-torn Ukraine. PPF condemned Russia's aggression towards Ukraine.

### March

On 1 March, 2022, PPF Telecom Group's mobile operator Telenor in Hungary, Bulgaria and Serbia was rebranded as Yettel.

PPF Group announced its intention to consolidate four technology companies from the Czech Republic and Slovakia to form a single strong brand. Electronic toll system operators CzechToll and SkyToll, tech company TollNet, and transport payment solutions provider PaySystem are set to be wholly owned under the newly formed ITIS Holding.

### April

PPF Real Estate entered the Czech residential development market by partnering with Karlín Group on a joint project in Prague.

PPF Group signed an agreement to sell its agricultural holding company RAV Agro, thereby completing its exit from the agricultural business in Russia, which it had entered in 2011.

### May

PPF and Home Credit signed an agreement with a group of Russian investors to sell off banking assets – including subsidiaries – in Russia. The deal will see PPF Group withdraw from the banking market in Russia.

PPF Group has signed an agreement with MONETA Money Bank (MMB) to terminate the process of combining the assets of Air Bank Group with MMB. The termination agreement was prompted by macroeconomic changes which radically altered the parameters of the originally planned merger.

### June

On 15 June 2022, Jiří Šmejč became CEO of PPF Group, taking over the reins from Ladislav Bartoníček, who had held the position since 29 March 2021.



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# PPF Group History

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In September 1991, Petr Kellner and his partners set up Správa Prvního privatizačního fondu. The initial registered capital was 100,000 Czechoslovak crowns.

The first four PPF privatisation funds were registered at the end of the year.

1991

At the beginning of the year, PPF-R (Russia) was established to capitalise on the experience gained by PPF from the Czech voucher privatisation and take part in the Russian Federation's privatisation process.

1993



PPF kick-started the process of acquiring Česká pojišťovna, the largest company on the insurance market in the Czech Republic, by purchasing a 20% stake.

1995

1994

PPF set up two mutual funds for the second wave of voucher privatisation, which bagged a further 140,000 shareholders and shares in 45 enterprises with a nominal value of 2.4 billion crowns.



1992

The PPF investment funds netted more than 3% of all investment points in the first wave of voucher privatisation, with more than 186,000 people opting to invest with them. The funds went on to hold shares in 202 enterprises with an aggregate nominal value of 4.9 billion crowns, ranking them sixth by volume of assets under management.



The restructuring of Česká pojišťovna's investment portfolio saw Home Credit transformed from a low-key Moravian leasing outfit into a consumer finance platform.

1997

1996

Under a shareholder agreement, PPF was made responsible for the management of Česká pojišťovna and spearheaded its root-and-branch restructuring and modernisation. Ladislav Bartoníček was appointed as the CEO of Česká pojišťovna.

1998

In Russia, the rouble's tailspin and the harsh economic crisis pushed PPF well into the red. The Group pulled out of the Russian market temporarily, selling off its remaining assets here.



The Czech Government decided to sell the state-owned 30% stake in Česká pojišťovna to PPF Group, which ended up with a shareholding in excess of 90% as it progressed towards full control of the insurance company.

PPF sold shares in several industrial enterprises and started to implement a sea change in its business strategy, veering towards retail financial services. It acquired eBanka, the first purely electronic bank in the Czech Republic, from Expandia Group.

**1999**



PPF purchased a majority stake in První městská banka, now PPF banka, from the City of Prague.

**2001**

PPF Asset Management was formed, gradually establishing itself as the investment hub for all PPF Group companies.

**2003**

Jiří Šmejce became a 5% shareholder in PPF.

**2005**

Home Credit launched operations in China.

PPF acquired a stake in Nomos Bank, one of Russia's foremost private banks.

Ladislav Bartoniček became a PPF Group N.V. shareholder.

**2007**

**2004**

PPF sold TV NOVA to multinational media corporation CME.

**2002**

PPF returned to Russia, where it started marketing consumer finance (Home Credit) and insurance services.



**2000**

Exercising an agreed option to purchase further shares, PPF gained a majority stake in Česká pojišťovna.

PPF took control of the assets of TV Nova, the first private television station in the Czech Republic.



**2006**

Home Credit launched consumer finance services in Kazakhstan, Ukraine, and Belarus. The PPF Group also started offering insurance on these markets.



PPF and Italy's Assicurazioni Generali became the joint founders of Generali PPF Holding, one of the largest insurance groups in Central and Eastern Europe and the CIS.

PPF became an important shareholder in Polymetal, one of the leading Russian silver and gold mining companies.

2008

2009

PPF, in partnership with J&T and Daniel Křetínský, established Energetický a průmyslový holding.

PPF invested in Eldorado, one of the largest home appliance and electronics retail chains in Russia.

2010

PPF Group became the first foreign entity licensed by the Chinese regulator to provide standalone consumer finance services locally.

Jean-Pascal Duveusart became a minority PPF Group N.V. shareholder.

2011

PPF acquired a stake in Sazka in insolvency proceedings and then sold it at a profit in 2012.

Establishment of Air Bank, a new retail bank specialising in online services.



2012

Jiří Šmejč sold his 5% share in the PPF Group to other shareholders and became a minority shareholder in Home Credit and Air Bank.



SOTIO, the biotechnology company developing new drugs to treat oncological and autoimmune diseases, joined PPF Group.

2013

PPF acquired Bestsport Arena to take over ownership of Prague's O2 arena, one of the most modern multipurpose halls in Europe.



PPF sold its 49% stake in Generali PPF Holding to Generali Group in a two-step transaction and retained selected insurance assets in Russia.



PPF acquired O2 Czech Republic, the largest Czech telecommunications operator, and O2 Slovakia, the number-three on the Slovak mobile market.

2014

PPF was granted a nationwide licence to provide consumer finance services in China.



PPF effected a “voluntary separation” in the telecommunications sector by splitting O2 Czech Republic into two companies: Česká telekomunikační infrastruktura (CETIN), the owner and manager of the fixed and mobile network and O2, a retail-only operator.

In the US, Home Credit began offering consumer finance services to the customers of telecoms operator Sprint.

PPF Group bought into Mall Group, Central Europe's largest e-commerce platform.

PPF signed an agreement to take over all resources of media company Central European Media Enterprises Ltd. in the Czech Republic, Bulgaria, Romania, Slovakia and Slovenia.



The agreement between the Ministry of Transport and a consortium comprising PPF Group's CzechToll and the Slovak company SkyToll to operate the toll system in the Czech Republic entered into force.



At the end of 2021, Moneta Money Bank shareholders approved a planned merger with Air Bank and the Czech and Slovak Come Credit.

On 28 March 2021, Petr Kellner, PPF Group's founder and majority shareholder, died in tragic circumstances when the helicopter he was in crashed in the Alaskan mountains in the US. Long-time shareholder Ladislav Bartoniček was entrusted with the management of all Group operations.

2015

2017

2019

2021

2016

PPF Group and EMMA Capital sold their stakes in Eldorado, Russia's second largest electronics and home appliance retailer.

2018

PPF Group acquired Škoda Transportation, the largest transport engineering manufacturer in Central and Eastern Europe.



PPF Group acquired Telenor's telecommunications assets in Central and South-eastern Europe (Hungary, Bulgaria, Serbia, and Montenegro).



2020

PPF separated the telecommunications infrastructure from the retail side of its three Telenor-branded mobile operators in Hungary, Bulgaria and Serbia to form CETIN Group.

In the struggle to combat the coronavirus epidemic, PPF Group provided assistance and medical supplies in the Czech Republic and eight other countries where it operates.



# Contact Details



[www.ppf.eu](http://www.ppf.eu)

**HOME  
CREDIT**

[www.homecredit.net](http://www.homecredit.net)

**air/  
bank**

[www.airbank.cz](http://www.airbank.cz)

**PPF Banka**

[www.ppfbanka.cz](http://www.ppfbanka.cz)

**Clear.Bank**

[www.clear.bank](http://www.clear.bank)

**Mobi Banka**

[www.mobibanka.rs](http://www.mobibanka.rs)

**CETIN**

[www.cetin.eu](http://www.cetin.eu)

**O<sub>2</sub>**

[www.o2.cz](http://www.o2.cz)  
[www.o2.sk](http://www.o2.sk)

**Yettel.\***

[www.yettel.hu](http://www.yettel.hu) (Hungaria)  
[www.yettel.bg](http://www.yettel.bg) (Bulgaria)  
[www.yettel.rs](http://www.yettel.rs) (Serbia)  
[www.yettel.me](http://www.yettel.me) (Montenegro) \*\*

**CVE**

[www.cetv-net.com](http://www.cetv-net.com)

**PPF Real Estate**

[www.ppfrealestate.com](http://www.ppfrealestate.com)

**ŠKODA**

[www.skodagroup.com](http://www.skodagroup.com)

**•czechtoll**

[www.czechtoll.cz](http://www.czechtoll.cz)

**Sotio**

[www.sotio.com](http://www.sotio.com)

**sctbio**

[www.sctbio.com](http://www.sctbio.com)

**MALL GROUP**

[www.mallgroup.com](http://www.mallgroup.com) \*\*\*

**Heureka**

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**FAST®**

[www.fast.eu](http://www.fast.eu)

**PPF Life Insurance**

[www.ppfinsurance.ru](http://www.ppfinsurance.ru)

**O<sub>2</sub> arena**

**O<sub>2</sub> universum**

[www.o2arena.cz](http://www.o2arena.cz)

[www.o2universum.cz](http://www.o2universum.cz)

**DREAM YACHT  
CHARTER**

**NAVIGARE YACHTING**

[www.dreamyachtcharter.com](http://www.dreamyachtcharter.com)

[www.navigare-yachting.com](http://www.navigare-yachting.com)

**The Kellner  
Family  
Foundation**

[www.kellnerfoundation.cz](http://www.kellnerfoundation.cz)

**PPF**

**NADACE**

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**PPF Art**

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2021 at PPF

PPF and 2021

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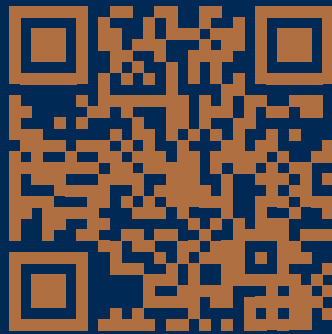
\*Yettel companies operated under the Telenor brand until March 2022.

\*\*The sale of the 100% stake in Telenor Montenegro to Hungary's 4iG Nyrt was settled by the end of 2021.

\*\*\*Allegro took over the 100% stake in Mall Group at the end of 2021. The transaction was settled in April 2022.







**PPF Group N.V.  
Annual Accounts 2021**



# 2021 PPF



...and not everything that counts can be counted.







## **PPF and 2021**



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# Introduction

Dear colleagues, dear friends,

PPF has never been solely about business. My husband and I were always aware of the great social responsibility that comes with managing an asset as large as PPF is today. In the more than thirty years that Petr spent building and moving PPF forward, the universal need to provide help has probably never been greater than in the last few years. This has been caused, of course, by the ongoing covid pandemic, and now the war in Ukraine.

The year 2021 was a very difficult time for me and for PPF as a company. Coping with the sudden loss of my husband, the father of our children and PPF's founder and chief strategist, has been very challenging not only for me and my family but for the entire PPF management team and the company as a whole. It is only thanks to the overwhelming support of my children and family friends, as well as the loyalty and professionalism of my colleagues at PPF, that I have been able to take on the responsibility necessitated by this change. I am indebted to everyone that we were able and will continue to manage these circumstances together, and I thank everyone for the fact that, even in these difficult times, we have been able to help others.

This year, for the first time, PPF Group's annual report is symbolically divided into two parts. One part is devoted to the business and describes our individual companies and their work, results, and numbers. The other part is dedicated to PPF's non-profit work. It tells stories and describes the projects and the people involved. It records the help and support we gave in various shapes and forms in 2021 wherever we felt it was necessary and right.

We provided assistance around the world, in all twenty-five countries where we do business. Naturally, we were most active in the Czech Republic, the place we call home. Through our two foundations, The Kellner Family Foundation and the PPF Foundation, we have long been committed to supporting education, culture, art, sports, local communities, and scientific research. We primarily support children, families, projects, people, and institutions that dedicate their efforts to the development of Czech society and help to create an environment and conditions for an open society and mutual respect, thus inspiring others. You can read about some of them on the pages that follow.

Every year we invest hundreds of millions of crowns in support of non-profit projects, but don't think that the actual figure is the most important thing about this. Petr loved to help. It made him and those of us involved in both foundations happy to see the results of our work bring smiles to people's faces. He was convinced, as I was, that as long as we had the financial means and energy to participate in charitable work, it was our duty and social responsibility to do so.

Both of us always believed – and I still do believe – that in this way we are investing in a better future not only at home in the Czech Republic but also around the world.

Renáta Kellnerová



# Social Responsibility

PPF Group has a long-standing commitment to support education, culture, the arts, sports, local communities, civil society development and scientific research in all 25 countries where it operates. Besides its financial donations and material support, PPF Group also assists in the development of non-profit and social activities by providing services on preferential terms, sharing relevant expertise, or involving the Group's specialists and teams in professionally focused training projects.

In the Czech Republic, PPF Group primarily supports projects, people and institutions that dedicate their efforts or talents to the development of Czech society and help to create an environment and conditions for an open society, mutual respect, opportunities for individuals to follow their own paths, and the possibility of succeeding in the world, thus inspiring others. In 2021, PPF Group's Czech companies donated a total of CZK 432 million to their CSR, non-profit activities, and support for sports, education, health care, and local communities.

PPF Group provides support internationally through the projects and foundations of Group companies that have a long-standing focus on specific areas due to their know-how, line of business, or location,

and often join forces with the public sector and communities. Globally, in 2021 PPF Group donated the equivalent of more than CZK 595 million in its CSR work, including non-profit activities and support for sport, culture, education, health care, and local communities.

In addition to the Group's regular foundation-based and charity work and focus, the global COVID-19 pandemic became a major issue in 2021 and resulted in the need for material and financial assistance in many of the places where PPF Group operates. PPF was also heavily involved in support for tornado-hit areas in south Moravia. Then, in the spring of 2022, our support was predominantly steered towards extensive and long-term assistance to the people who had fallen victim to Russian aggression in Ukraine. In particular, we concentrated on Ukrainian refugees in the Czech Republic and their integration into the Czech education system.



Open Gate Grammar School students



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## The Kellner Family Foundation



The Kellner Family Foundation creates and provides long-running support for educational projects that change established practices. In this way, the Foundation and its work have featured in many of the personal stories of pupils, students and teachers. The Foundation's goal and mission is to motivate those who have the aptitude to succeed, and to create conditions ideal for them to do so.

---

# Twenty Years in Support of Education

The Kellner Family Foundation supports children and young people whose social background is a barrier to quality education. It is also dedicated to assisting those who wish to study at universities abroad, and to improving the quality of teaching in public primary schools.

Renáta and Petr Kellner set up their first education-oriented family foundation in 2002. Later, they merged their philanthropic work in this sphere under The Kellner Family Foundation, which has long provided support for education in the Czech Republic.

The Kellners' family foundations have donated approximately CZK 1.7 billion to education in the Czech Republic. The Kellner Family Foundation alone

distributed CZK 983 million to socially beneficial projects between 2009 and 2021.

## The Foundation's three core projects

The Foundation directs most of its donations and the efforts of its team into three main projects. The first of these projects seeks out and supports children and young people who are motivated to study, have an aptitude for learning, and are growing up in children's homes, foster care, or low-income families. It awards them need-based grants so that they can study at Open Gate Grammar School. The second project rallies behind motivated undergraduates at foreign universities and Open Gate Grammar Schools students as they continue their studies at Czech universities. The Foundation's third key project, Helping Schools Succeed, focuses on improving the quality of teaching in Czech primary schools.

The Foundation also makes contributions to other individuals and institutions so that they can engage in projects in education, sport, culture, and health promotion.

## Changes to the Board of Trustees and Supervisory Board

Following the tragedy that struck the family in March 2021, changes have been made to The Kellner Family Foundation's Board of Trustees and Supervisory Board.

"As our children were growing up, we gradually acquainted them with our philanthropic activities. We used to talk to them about why we had set out on this path, and today, they stand here with me so that, together, we can continue the work Petr and I started."

• Renáta Kellnerová

The three-member Board of Trustees is chaired by Renáta Kellnerová. The Board's second member is Petra Dobešová, Executive Director of Open Gate Grammar School. The third is Radek Špišek, CEO of SOTIO, PPF Group's biotechnology company, who had already been involved in the Foundation's work for many years before joining the Board in April 2021. He regularly attends interviews with applicants seeking grants to study at a foreign university. He also helped to select teams awarded Foundation grants for scientific research in 2013–2016.

As of 2021, the Supervisory Board has four members. It has been newly joined by Anna and Lara Kellnerová, the daughters of Renáta and Petr Kellner, and Petr Kellner Jr., son of Petr Kellner.



### Donations in 2021

In 2021, the Foundation channelled the lion's share of its donations, totalling some CZK 40 million, into the 113 public primary schools involved in the Helping Schools Succeed project. The Foundation distributed a further CZK 34 million to recipients of need-based grants at Open Gate Grammar School.

Czech students at foreign and Czech universities received almost CZK 8 million in financial grants. The Foundation also provided CZK 10 million to individual applicants and organisations.

# Three programmes towards better education

## Need-based grants for Open Gate Grammar School students

Open Gate is a private primary school and eight-year grammar school in Babice, a village near Prague. Students choose Open Gate Grammar School because it places international education within their reach, giving them the opportunity to make their mark in the world. They round off their studies by taking the International Baccalaureate (IB), the Czech school-leaving exams (maturita), or a combination of the two.

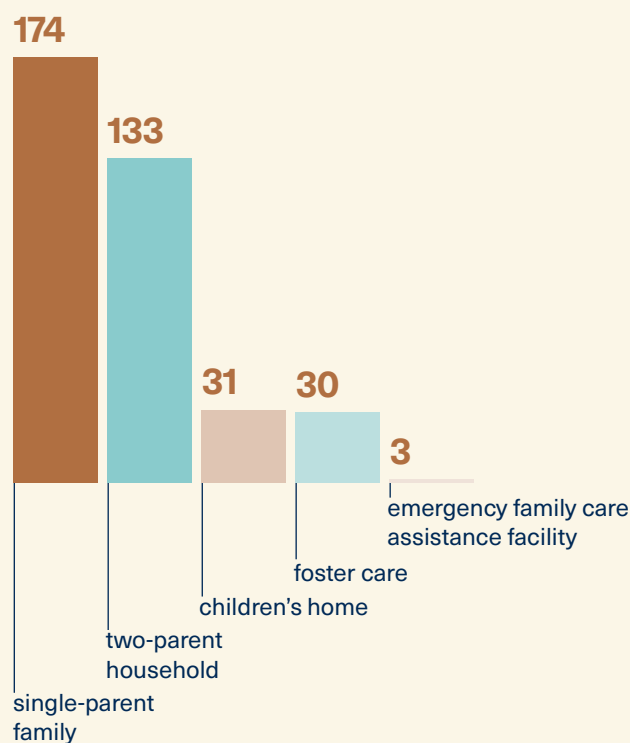
Open Gate is one of the top-rated schools in the Czech Republic. In the grammar school's classes, children

whose parents pay their tuition fees sit alongside students who have grown up in children's homes, foster care or low-income families and whose tuition costs are covered by the Foundation. All of them, without exception, had to meet the same admission requirements. The characteristics they all share are learning potential, diligence, and motivation.

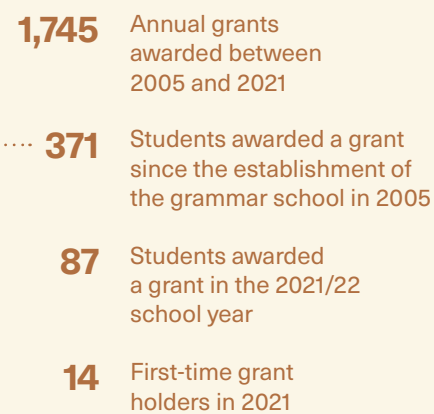
The need-based grants and on-campus accommodation mean that children and young people from across the Czech Republic can study at this grammar

school. The grant helps them to cover tuition fees, which include their education, meals, and leisure activities. Some of them also go on to receive financial grants during their university studies.

### The backgrounds of Open Gate grant holders



### Open Gate grants



Between 2005 and 2021, The Kellner Family Foundation awarded 371 need-based grants to Open Gate Grammar School students with a total spend of

**CZK 730 million**

# Grants for Czech students enrolled at foreign universities

## Universities project in numbers

In the 2021/22 academic year, the Foundation provided assistance to 57 students studying at 43 universities in 10 countries.



Thea Kratochvílová, Open Gate graduate and Universities scholarship holder

## Most sought-after universities in the 2021/22 academic year

**University of Cambridge**  
4 students

**University College London**  
4 students

**University of Oxford**  
3 students

**Northumbria University**  
2 students

**University of Glasgow**  
2 students

Gathering of Universities scholarship holders and other guests at Prague's Hadovka Summer Palace in August 2021



## Foundation grantees around the world 2021/22

- 30** United Kingdom
- 8** Czech Republic
- 5** Netherlands
- 3** USA
- 3** Austria
- 2** Switzerland
- 2** China
- 2** Ireland
- 1** Germany
- 1** Spain

The Foundation runs a project called Universities that awards grants to promising students from Czech secondary schools so that they can continue their education and studies at universities, especially institutions abroad. Besides tuition, the grant may cover travel and living expenses. Once these students of prestigious universities have graduated and embarked on their careers, the Foundation encourages them to use and share their international experience for the benefit of the Czech Republic.

Faced with selecting grantees from a wide range of study fields, the Foundation places a particular emphasis on science and engineering. International universities, where there is a more established or better developed curriculum for the study of specific academic disciplines and where the facilities and teaching on offer are better, for example through links with excellent laboratories or scientific groups, or with the private sector, are a frequent choice. Robotics, biochemistry, and artificial intelligence are among the most chosen fields.



Under the Universities project, 218 students have been awarded grants, most often for a three- to four-year period, in the past twelve years. The Foundation has distributed CZK 105 million among them.



Kateřina Sládková,  
pedagogical consultant,  
Za Nádražím Primary School,  
Český Krumlov

## Helping Schools Succeed – and helping the Czech Republic to have better schools

The Foundation has been transforming the Czech public education system through its Helping Schools Succeed project since 2010. Interested primary schools are offered the means, expertise, and inspiration to make changes in their approach to teaching so that their pupils are even more motivated and able to thrive.

Teams of project consultants support teachers and school heads in the development of their teaching so that every pupil's results can be improved. The core skills on which the project focuses are reading and writing. The main aim is to boost children's confidence in their reading ability so that

they see it as a meaningful activity worth investing effort in. When pupils' writing is developed, this improves their thinking, helps them to study, and acts as a conduit for self-expression. Under the project, teachers open up their lessons to colleagues or work together to plan lessons and assignments, and then evaluate the progress in their teaching and the outcomes of their lessons. They share their experiences at local and national meetings and form a mutually enriching community of professionals.

By 2021, this long-running programme, which started out in two schools (one in Prague and the other in Karviná), encompassed 113 institutions from all

over the Czech Republic. The project involved almost 3,000 teachers putting their all into teaching nearly 40,000 children.



The Foundation initiated the Helping Schools Succeed project in 2009. In recent years, the Foundation has channelled approximately CZK 40 million per year into the funding of the project. In total, more than CZK 368 million has been donated to education through this project.

# Open Gate opens up horizons and paths through life

The grants awarded to Open Gate students are often life-changing, steering them towards new avenues of study and changing them as individuals, as young people determined to find their own path in their professional lives.

## František Berger

František grew up in a children's home. Upon completing Open Gate Grammar School in 2012, the Foundation continued to support him during his university studies. He now works as an editor for the Olomouc branch of the Deník.cz news website.

### How did attending Open Gate help you on your journey?

It was Open Gate Grammar School that made me fall in love with writing and photography. I would not have had the courage to enter the world of media had it not been for Honza Černý's photography classes, Jiří Kostečka's strict (in the best sense of the word) insistence on drilling proper Czech into us, and the school's partnership with a magazine for children's homes. The house masters in the dormitories who allowed me to write reports on weekend events for the school website also played their part. A master's degree is valuable and important for a professional career, but, for me, the real ticket to life was getting an education from Open Gate.

### How did studying at Open Gate change you?

I spent seven great years of my life in Babice. For me, the campus wasn't home from home. It simply was home. As far as I was concerned, many of my

classmates, friends, teachers, house masters, and other staff were my family. I joined Open Gate after my family's poor financial circumstances had forced me into a children's home. That turbulent year of unpleasant shocks had taken a toll on my psyche. Only when I transferred to the school did my frame of mind improve, although it took time to come to grips with another move, new people, and studies that were more demanding than at primary school. Once I was settled, there was a period in which I was able to become who I am. I'm thinking here of all the new things I learned, not only in my studies, but also away from the school building.

● ●  
39.8 points: the average score achieved by Open Gate students in last year's International Baccalaureate. For the sake of comparison, the global average of the 170,000 students who sat the International Baccalaureate in 2021 was 33 points.

Living on campus taught me independence and discipline, and gave me the general insight and ability I needed to deal with everyday stuff, manage

money, and overcome various obstacles. As a result, I was able to stand on my own two feet, so to speak, after leaving the children's home.

### What is your most vivid memory of studying at Open Gate?

There are so many vivid memories, it's hard to pick out just one. Anyone who knew me then is sure to associate my name with running around the playground and kicking a ball. It was at Open Gate that football became my greatest passion, and this interest has remained with me, at least passively, to this day. I also associate football with a very emotional experience when Petr Chára, the then deputy head, presented me with a ticket to a Champions League match in which Viktoria Plzeň drew 2-2 with AC Milan. I've kept the ticket, now aged and faded, as a keepsake.



František Berger



Open Gate Grammar School students



“When we received the news of our students’ International Baccalaureate results this year, our knees literally buckled. Five of them earned a maximum 45 points! But we are proud of the results achieved by everyone in the year. Sixteen of them scored over 40 points, and the high overall average of 39.8 points confirms that they were all simply brilliant. Four of the top five students were in receipt of a grant from The Kellner Family Foundation. The Foundation will continue to support some of them as they move on to university.”

• **Petra Dobešová**  
 Executive Director, Open Gate – Grammar School and Primary School  
 Member of the Board of Trustees, The Kellner Family Foundation

# Studies abroad? Don't be afraid – give it a go!

The Kellner Family Foundation enables gifted secondary school students to continue their studies at prestigious universities abroad. On returning from foreign institutions, graduates bring back valuable experience that can serve as inspiration for younger colleagues to consider studying abroad themselves.

Gathering of Universities  
scholarship holders,  
January 2022



## Tomáš Deingruber

University of Cambridge, UK  
Natural Sciences

### What is the advantage of having interlinked courses in the Natural Sciences programme?

One of the major benefits of having a broad disciplinary base is that it makes it easier to navigate research across disciplinary boundaries, which is the direction I think science is going in today. After three years of undergraduate studies, I was fortunate enough in my fourth year to join a post-grad project at the Laboratory of Molecular Biology, which is also known as the “Nobel Laureate Factory”.

### Why would you recommend studying in the UK?

The college-based residential system specific to Cambridge and Oxford universities is interesting. You meet fellow students reading the same subject during lectures and practicals, and then outside that there are various student societies where you get to meet people with similar interests. The halls provide an environment where you can get to know students from other disciplines. And if you happen to be considering Oxbridge, bear in mind that where the college is, where it has accommodation, and what services it provides make a difference to your study experience.

### Overview of subjects studied by Universities scholarship holders in the 2021/2022 academic year

- 28 % engineering and computer science
- 25 % natural sciences
- 21 % humanities and social sciences
- 8 % economics and management
- 7 % art-related fields
- 7 % medicine and pharmacy
- 4 % law

### What are your plans looking forward?

During my studies I managed to get placements at Teva, a pharmaceutical company in Opava, the Institute of Organic Chemistry and Biochemistry of the Academy of Sciences, and the University of Cambridge. And because I liked university research, the opportunity to continue down this path for longer by studying for a PhD struck me as interesting. So, after winning a PhD scholarship, I ended up staying in Cambridge for another three or four years. With the benefit of hindsight, I think it might have been a better idea to have spent a bit longer gaining experience of working outside academia before embarking on my PhD.

## Jakub Jandus

Worcester Polytechnic Institute, USA  
Robotics Engineering

### Why robotics?

Whether I was spending hours figuring out logic, programming, or building prototypes late into the night, the time always passed pleasantly, so I chose to study robotics. I would say that this is a field that brilliantly combines engineering and electronics on the one hand, and programming and artificial intelligence on the other.

### What do you enjoy about studying in America?

The campus itself is built in a beautiful New England brick style. With the labs open practically all day, you can take any idea and turn it into reality.

### Any advice for Czech secondary school students thinking of studying abroad?

I really recommend studying languages. This will open the door to learning about new people and cultures. International conferences will no longer be a nightmare, and your worries about whether you can express yourself properly will gradually fade. Personally,

I like to spread awareness about our small Central European country, and I dare say that the Czech flag would look great on a Boston Dynamics robot.

## Kateřina Paneřová

University of Oxford, UK  
Mathematics

### Why maths?

I became deeply interested in mathematics at secondary school. My maths teacher was and still is a great inspiration. To me, mathematics is beautiful. It's the most exact science. That's the amazing thing about it – once you prove a statement or theorem, it's true and no amount of experimentation can disprove it. What's fascinating is the abstract approach of mathematics, which allows you to apply a proven property to any system that satisfies the given assumptions.

### What is your goal for this field?

I would like to change the way maths is taught in schools. Instead of memorising patterns and learning procedures by rote, I would use stimulating questions that make students think and teach them to work out the theory on their own. I think it's natural for humans to want to figure things out.

### Any advice for those thinking of studying abroad?

Don't be afraid – give it a go! It's been a great experience for me. You become very independent, get a perfect grip on the language, and meet new people from different countries. At Oxford, what has impressed me is the tutorial system, where a group of two or three students get together with a professor to discuss solutions to problems and anything else that interests us. It's a very personal and friendly approach.

# Even a teacher has to learn

Two teachers teach better than one. At least that is the theory and practice behind the concept of co-teaching. Teachers prepare, teach, and assess lessons together. This results in a better learning experience for pupils and teachers alike.

The Helping Schools Succeed project, supported by The Kellner Family Foundation, was involved in the launch of the co-teaching concept. Za Nádražím Primary School in Český Krumlov has already had plenty of experience of co-teaching. It started out as a voluntary activity among teachers, with the Ministry of Education, Youth and Sports publishing and financing teaching templates. Anyone who wanted could join in. The first subject in which the school trialled co-teaching was mathematics, followed later by Czech language, PE, and history. Today, thanks to the Helping Schools Succeed programme, tandem teaching is a fixture in the timetable for all years, from the first all the way up to the ninth. In no way is the concept limited to individual subjects. It also includes teaching that cuts across the first (primary) and second (lower secondary) levels of the school – in history, for example. “Teachers are more aware of what has already been taught at the first level, so they don’t have to repeat the same material all over again. There are sometimes situations where level-two teachers treat new classes as little children.

However, if they have the opportunity to meet them beforehand thanks to co-teaching, they are able to better gauge them and prepare for them,” says Iva Hermannová, deputy head of the Za Nádražím Primary School in Český Krumlov. Another of the aims of the co-teaching method is to smooth the transition between the fifth and sixth years (i.e. from primary level to lower secondary level).

This is not the only result the school has experienced since introducing co-teaching. Teachers praise the fact that they are expanding their established range of exercises, examples, or ways of communicating with pupils. “It can be enriching for someone who is perhaps a bit more disorganised to see how a colleague works systematically and what advantages structured teaching can have, how this can work better in the classroom,” says maths teacher Iva Hermannová, adding that “The atmosphere in the classroom is more pleasant. When I’m there alone, I only have one pair of hands and sometimes the lesson may not go as I would like.” Relationships with pupils are also

better; an extra set of eyes may see, for example, a particular pupil or a recurring situation in the classroom differently.

“Co-teaching can be a tool effective in meeting the needs of individual pupils, for more one-on-one time, and in ensuring better quality teaching,” summarises Hana Košťálová in her manual entitled The 3 S’s – Symmetrical Peer Support Scenario (3S – Scénář symetrické kolegiální podpory). For tandem teaching, as it is also called, to work in practice, it should be based on the three S’s – shared preparation, shared teaching, and shared reflection.

## The key is thorough preparation

“Of course, a teacher would get their prep done faster if they’re on their own, but they probably wouldn’t be able to prepare as good a lesson as they would if they were paired with a colleague,” says level-one teacher Kateřina Sládková as she explains what joint planning for a lesson should look like. The lesson plan should contain several points. The main one is the learning

Kateřina Sládkov and  
Iva Hermannov,  
Za Ndrařim Primary  
School, esk Krumlov



objective, based on an assessment of the pupil’s learning needs. However, the learning objective should be expressed in such a way that the pupils themselves can understand it when it is explained to them by the teacher. The lesson plan should also include an assessment method that enables both the teacher and the pupil to see how far they have progressed in reaching their common objective.

It is important to compare how the pupils and the teacher rate the outcome of the lesson. Naturally, before they start the lesson, teachers prepare the activities, procedures, and methods they plan to use. “To deal with a situation where the lesson is not going according to plan, it is possible to



Helping Schools Succeed is a project working with 55 external experts who support the professional development of nearly 3,000 teachers from 113 participating schools, which are attended by a total of around 40,000 pupils.



Martina  
Weinhoferov,  
Bory Nursery and  
Primary School



Filip Svoboda,  
Svatoplukova  
Primary School,  
Olomouc

think in advance about the alternative approaches that teachers can use, or different versions of tasks that can be prepared to make them easier or more difficult,” adds Kateřina Sládkov, who now works as a project consultant at the school. Before their lessons, teachers also need to prepare texts or other materials for pupils to work with. It is important to consider the didactic potential of these materials. When co-teaching is planned properly, teachers will think ahead about how to divide

the tasks for classroom work. For those parts of a lesson where one teacher is teaching and the other is observing, they agree on what the observer should focus on and what they will note.

In practice, teachers working in pairs usually set the bar higher than a single teacher would. “Experience tells us that when two people plan a lesson, they have higher ambitions and higher goals. One of our pupils, for example, has said that she always looks forward

to co-taught lessons because, according to her, we set more difficult tasks and she enjoys this teaching more,” says Iva Hermannová.

## Teachers are not alone in their decisions

Co-teaching can take several different forms – the teachers might alternate according to a pre-agreed arrangement, or one teacher might do the teaching while the other observes. “The observer focuses on agreed aspects, especially those related to the learning objectives. They usually take notes in the form of short episodic or anecdotal records and observe how pupils cope with the problems they have been set. At the same time, they observe selected pupils,” writes Hana Košťalová in *The S’s – Symmetrical Peer Support Scenario*. Naturally, co-teaching may also take other forms, such as differentiated teaching, where each of the pair of teachers works with one of two groups of pupils and chooses different teaching strategies according to their specific needs. Parallel teaching is where each teacher works with one of two groups of pupils, but both employ the same teaching strategies to meet the objectives.

In terms of the relationship between a pair of teachers, tandem teaching may involve two teachers or a teacher and an assistant working together. The *Za Nádražím Primary School* in Český Krumlov has experience of both these forms. “It depends on the current number of full-time teachers and the specific subjects taught by colleagues who would have the capacity to use co-teaching. Some classes have assistants, others do not. But they are a great asset because they are in the classroom all the time and know the pupils. The teacher may only come in to the classroom to teach their one specialist subject, so assistants work well as a second pair of eyes. For example, they can slow the teacher down or help them



From left: Michaela Tomicová, Barbora Bolcarovičová, and Gabriela Adámková, Tř. Dr. E. Beneše Nursery and Primary School, Bohumin

Markéta Špaková, Horní Planá Nursery and Primary School

to deal with a situation that has arisen,” explains Iva Hermannová. Of course, another possibility is for this tandem teaching to comprise two teachers, one more experienced and one junior. Here, too, there are benefits from teaching together for both of them.

Even if two equal partners engage in co-teaching, in practice it is natural for one of them to have the main say, even if at the primary school in Český Krumlov, for example, they would formulate this differently. “If, for

instance, the main teacher teaches their subject to a class for five lessons a week, with one of those five lessons being taught with a colleague, it is natural that the main teacher knows the class better and is aware of what they have already covered and what is yet to come. Even in this situation, colleagues can prepare the lesson together,” explains Kateřina Sládková. That does not mean that the main teacher has the final say during the lesson or that the main teacher is responsible for resolving any conflicts. On the contrary. Teachers enjoy the

fact that they are not alone in making decisions – both in the preparations and during the lesson itself. “Two is always more than one,” laughs Kateřina Sládková.

## Reflection is a must

Perhaps the most important element of co-teaching is reflection. “We analyse how pupils have performed and what



The Helping Schools Succeed project has brought change to our school: it is a driving force that has made teachers think differently and more deeply about their work, about teaching, about pupils. Experts helped us on our journey and offered new approaches, providing inspiration from other schools and from abroad, but in a very sensitive and non-violent way. They did not dictate what should be done and changed, but showed us what was possible. And they began to interconnect our teachers, to build a community. At the school, there was greater respect between teachers and for the teaching profession in general. This was partly due to the fact that the project included adequate financial rewards for any “extra” work the teachers did.

Our school is now also much more open – teachers teach in pairs and invite colleagues from other schools and project consultants to their classes. Together with these consultants, they plan and evaluate the teaching and the benefit to the pupils. The teachers do not see this as a threat, but as an opportunity to make progress.

Vít Beran, Headteacher,  
Kunratice Primary School

they have achieved in relation to the predetermined goal. We compare our point of view with the pupils’ self-assessments. We try to recognise how pupils are progressing towards a given objective, how they are thinking, and what they are capable of,” summarises The 3 S’s – Symmetrical Peer Support Scenario. Whatever the teachers may feel about a lesson, the aim of reflection is to work out what really happened in the lesson and what this means going forwards. If there is a record of the lesson, it can be used to review specific situations and look at what the teacher did, what the pupils did, and analyse the feelings on both sides and how they influenced each other.

“If I invest one hour in detailed reflection, it’s not one hour that I’ve lost by doing that, it’s an investment in future lessons,” says level-one teacher Kateřina Sládková. However, if there is no time for reflection, it is possible to conduct a short review during the break and focus only on certain specific issues. “When I’m teaching, I have the learning process in my mind, but I might not factor the pupils into that process. That’s why it’s good to have a colleague there to see if the children know what is expected of them in the lesson,” adds Kateřina Sládková. Another level

Vít Beran



of reflection involves the evaluation of teachers’ performance, where one acts as an observer and then gives feedback to their colleague.

## We need twice as much time

Of course, co-teaching would not work without the support of the school management. “The ideal would be to set aside space in the timetable for reflection so that teachers don’t have to find gaps in their already full schedules,” says Kateřina Sládková. There is not always the capacity for this. Sometimes, two teachers plan a lesson together, but each teaches it alone. They subsequently meet to share their findings and tell each other what went well and what did not. Other times, they make a video recording and focus on a particular aspect of the footage during the evaluation.

In the experience of teachers, the biggest challenge for co-teaching is the time factor. “Co-teaching is time consuming. Teachers plan together, teach together, and reflect on the lesson together. Ultimately this works out at about twice as much time than if one were working alone. But in the end, they see the effect and realise that it is worth investing this time,” says Kateřina Sládková. She sums up her experience by noting that “it is important to realise that co-teaching is not a game for teachers, but a method that yields highly positive effects for the children.” And the point at issue is not just whether the children eventually improve in one subject or another, which cannot yet be backed up statistically from the first two years of co-teaching at Za Nádražím Primary School in Český Krumlov. “The children can see that the teachers are working together. This means that the children are not lectured about the theory behind teamwork, but naturally get to see it work in practice. This is a vehicle for the nurturing of social skills, which is so important in life today,” concludes Kateřina Sládková.



Construction of the Ostrá Hürka Háj scout hut, Silesia.



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## PPF Foundation



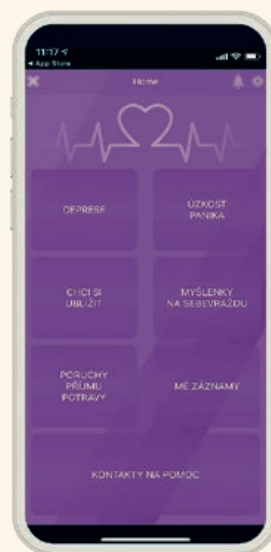
The PPF Foundation believes that those who choose to shoulder their share of responsibility for the world around them deserve support. A country like the Czech Republic needs every single gifted person who is willing to work hard for their dream, grow up, and step out into the world. They need help on their journey because the dreams they pursue and the work they do inspire many others to grow and flourish.

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# Making Good Projects Even Better

For the PPF Foundation, 2021 was its second full year of existence. It kept to the same course it had charted at the outset, aimed at investing in successful projects so that they can become even better and have an even greater positive impact.

Don't Panic app



**190,000 people** downloaded the Nepanikař (“Don’t Panic”) app for psychological first aid in 2021. It has been translated into nine languages and is used by people in 180 countries

## Support that counts

In 2021, the PPF Foundation supported 29 projects through partnerships, consultations, and financial support, with donations totalling over CZK 55 million.

The PPF Foundation’s mission continues to focus on seeking out outstanding individuals and giving them the opportunity, with its backing, to realise their visions and blaze a trail for others. Last year, the Foundation made a partial retreat from its policy that funding be used to further the

growth and development of the projects it was supporting. Amid the COVID-19 pandemic, it was important to accommodate the changing conditions and situation in society. As a result, the Foundation supported selected projects with the aim of helping them “just” to survive and get through the challenging period of restrictive measures, which saw many projects and their organisers deprived of a crucial portion of their income.

The Foundation supported several projects that had already received assistance in 2020 if there was a prospect that the continued cooperation would yield further development in 2021. These included the Villa Pellé Gallery,

the Cirk La Putyka theatre company, Bicycle for Life (Kolo pro život – bicycle races), Trail for Life (Stopa pro život – cross-country skiing races), and the Metronome Prague music festival. The Foundation continued to fund the construction and renovation of scout huts, helping to complete facilities for four additional scout troops in 2021.

The subject-matter of Foundation projects remained as broad in 2021 as it had been in the previous year. In fact, compared to 2020, new focuses of attention were added. The Foundation concentrated on projects that would deliver benefits in areas as diverse as culture, the



**50,000 children** in Czech schools were rewarded with a book by the Foundation as part of the Role Models project for their positive approach in the pandemic and other areas

Handover of the books No Platitudes and No YouTube at Křiby Primary School, Zlín

**4,400 volunteers** help non-profit organisations with digital innovations via the Česko.Digital platform

creative industries, the nurturing of civil society, sport, and physical and mental well-being. The active approach of the beneficiaries and their commitment to co-creating an inspiring, value-based environment and open dialogue in society remained important criteria in the assessment of specific projects.

The Foundation always considers the international dimension of individual projects when judging them. It invests in Czech projects that, through their ideas, activities, and impact, transcend the borders of the Czech Republic, create value, and open up opportunities for others. The Foundation, working to draw global expertise to the Czech Republic in the knowledge that this



Sculptor Jaroslav Róna and producer Marek Vocel

**14,300 km** were travelled by Jaroslav Róna's sculpture Victoria robotorum – Victory of the Robots on its way to Dubai



Cancer prevention campaign #prsakoule

**110,000 people** have received medical and cancer prevention training from the Loono non-profit organisation

would foster a richer international social context, gave its support to projects such as L'Étape Czech Republic by Tour de France, the Metronome Festival, and other projects that adapt foreign inspiration to the conditions and needs of the Czech Republic. Likewise, the Foundation stood alongside Czech talent and those who export it to the world. This included the sculptor Jaroslav Róna and his participation at the World Expo in Dubai. Inspiration and creative effort are two areas that follow different paths, but share a common goal – a healthy, competitive, and robust Czech society.



New scout hut, Říčany

**1,300 scouts** have a new or refurbished scout hut thanks to a donation from the PPF Foundation



Bicycle for Life racing series, Orlik Tour, May 2021

**16,500 cyclists** participated in a total of fifteen races of the Bicycle for Life series at various locations around the Czech Republic

# Investing in those who are shaping a brighter future

2021 selected projects



Handover of the books  
No Platitudes and No YouTube  
at Jeseník Primary School

## Role Models

The pandemic has made heroes out of children, so even the youngest generation has role models to look up to.

The year 2020 was often extremely challenging for families and schools, and above all for children themselves. The PPF Foundation, in partnership with the No Platitudes project, decided to recognise inspirational school-age heroes. The Role Models project, prepared by the Foundation together with the team from the No Platitudes, awarded the book *Bez fráží a bez jůtubu* (No Platitudes and No YouTube) to primary school pupils in years three, four, five, and six who had shown that they were willing to shoulder some of the responsibility for the world around them, remained active despite the quarantine measures, and managed – on their own initiative – to do something that benefited their surroundings. Fifty thousand copies of the book were distributed to all the more

than 3,700 primary schools across the country as a thank-you and reward for heroes aged 9–12.

The author, Dominik Landsman, engagingly crafted the stories of athletes into a language and form that resonates with teenagers and can serve as motivation and inspiration for children. By refusing to eschew the more difficult moments in life, the book provides child readers with an open-minded look at the journey and experiences of successful athletes both on the public stage and in the personal moments that are usually kept hidden from us. The book touches on topics often considered taboo by society, such as a death in the family, coping with failure, and moments when goals and plans in life had to be re-evaluated.





Rehearsals of Cesty (Journeys)



Rostislav Novák Jr,  
theatre principal

## Cirk La Putyka

In the second year of the COVID-19 pandemic, as in 2020, this Prague theatre company worked tirelessly to find a way of bringing culture to audiences even in the midst of the pandemic measures.

The #kulturunezastavis (#nostopping-culture) project motivated the creative scene not to give up on culture and art and, despite the strict restrictions, to continue giving joy, hope, and cheer to the public through its activities. In 2021, perhaps even more than in the previous year, Cirk La Putyka pushed the boundaries of the concept of contemporary circus. It relentlessly explored further genres, forms, and formats that it could use to reach out

to its audience. In doing so, the troupe joined forces with other groups and performers from the arts and beyond. Together, they were able to rise to the challenges faced by fine arts as a result of the pandemic. The year started, for example, with live broadcasts on Naživo, a television channel run by Cirk La Putyka in collaboration with the Film Naživo platform. In January, the circus teamed up with the O2 Foundation to thank the heroes of the pandemic on

the “Safety Line” programme. There was a busy summer programme at the Azyl 78 big top in Stromovka Park, where figures from various areas of the Czech art scene were given time in the circus ring. The summer culminated in Cesty (Journeys), a groundbreaking performance that partly mirrored life in the pandemic. At the end of the year, the Foundation supported a collaborative project between the circus and the No Platitudes platform as part of the St.Art happening, a joint plan to bring sport to theatre and theatre to sport.



laputyka.cz

# L'Étape Czech Republic by Tour de France



An event held by the organisers of the Bicycle for Life series, Czech amateur cyclists were able to race like professionals and experience the unique atmosphere of the legendary Tour.

This event was part of an extensive series of 22 races in 19 countries around the world. Besides inspiration, the race also brought the know-how of a global event to the Czech Republic. In return, this national stage put Czech cycling on the international map of the Tour. Just as the Tour de France is not a phenomenon

associated with racing alone, L'Étape Czech Republic was not just a race against time. The very first year of the event picked up on the tradition of fans lining the route to cheer on the riders. This was made possible by the fact that it was the first such race in the Czech Republic where the entire route was closed to road traffic. With

a side programme for cycling fans and families with children, the race became a great day out not just for the racers themselves.



[letapeczech.cz](http://letapeczech.cz)

# Don't Panic

A 21-year-old student is behind the first Czech mobile app designed to provide quick psychological help in a crisis. She came up with the idea after realising a tool like this was lacking in the Czech Republic. Today, her app is used in 180 countries.

When biomedical engineering and bioinformatics student Veronika Kamenská discovered that, in an emergency brought on by her mental illness, she was unable to communicate in an English-based app designed to provide first aid in a panic attack, she decided to create her own Czech app. Friends and fellow students collaborated on the development of the app in their spare time, with numerous experts in psychology, psychiatry, and psychotherapy also contributing.

This is a unique service in a Czech setting, giving instant access to first aid for people with mental health

problems. The project also promotes the communication of often taboo topics related to mental health, provides online counselling and consultations, and organises training on mental health in schools. The app works on both iOS and Android platforms and has been translated into nine languages.



napanikar.eu  
app



The first L'Étape Czech Republic by Tour de France, held on 28 August 2021



Veronika Kamenská, founder of the Napanikář (Don't Panic) project

# Loono and Česko.Digital: growing together with the PPF Foundation



## What can Preventivka do?

- It informs users which preventive check-ups to go to
- It describes what happens at a check-up and why it is beneficial
- It records and reminds users of their appointments for preventive check-ups
- It helps to find the right specialist
- It conducts all-round audits of users' health
- It offers checked and easy-to-understand medical and prevention information
- It teaches users how to do something for their health every day
- It reminds users to self-examine their breasts or testicles

The support that the PPF Foundation provides is intended to be more than a mere financial donation in terms of its significance and quality. The Foundation strives to form true partnerships enabling it to work actively with project creators, helping them to find a path and transgress boundaries.

Loono is a non-profit organisation that raises public awareness about the importance of health care. One of the areas it concentrates on is the prevention of unnecessary health complications and premature deaths. The Foundation's support is channelled primarily into the creation of Preventivka, a mobile app that Loono hopes will enable it to reach a much larger audience. The launch of the app

is about more than health awareness. It also places a great practical tool into people's hands that will help them to take care of themselves: it will remind them when they have – or need to make – an appointment for a preventive check-up.

This developmental principle underpinning the Foundation's support is etched into its cooperation with

the Česko.Digital platform. Thanks to the Foundation's contribution, Česko.Digital can fully focus on developing the potential of a community of expert volunteers who help the public sector and NGOs in their free time. As a result, the burden of existential or organisational issues has been lifted from the shoulders of the non-profit platform's team. The PPF Foundation's support is intended to help Česko.Digital to create infrastructure and a supportive environment, provide stability, and facilitate long-term planning. The Foundation is keen for its support to steer Česko.Digital towards an ideal state where it will no longer need the Foundation's assistance and will become a self-sustaining organisation.

Eva Pavlíková,  
Česko.Digital director,  
and Kateřina Vacková,  
Loono committee chair



Developers from the  
Česko.Digital community

The collaboration between Loono and Česko.Digital has proven to be extremely mutually beneficial. Česko.Digital is developing the technological side of the Preventivka app, so Loono has acquired top-notch, experienced developers, while Česko.Digital has taken on a unique project in the field of health and digitalisation of health care, which is one of the three areas of interest that volunteers most want to get involved in. Both projects thus benefit from the Foundation's support, as well as from mutual inspiration and the sharing of experience.



Česko.Digital



Preventivka app  
for iOS

# If something can't be done, we'll try to do it. We have that in common. Jaroslav Róna and Marek Vocel on the way to Dubai.

Sculptor Jaroslav Róna  
and project producer  
Marek Vocel

The Victoria robotorum – Victory of the Robots statue, weighing in at eighteen tonnes and standing almost five metres high, is a real colossus. For its creator, Jaroslav Róna, however, it has been a stepping stone to two even larger sculptures, which he is currently working on. We talked to him and producer Mark Vocel, who arranged for the robot's trip to this year's World Expo in Dubai, about the power and weight of stone and what stone sculptures say to the modern world.

**Mr Róna, I recently came across an admission from a sculptor that he was driven to design large objects by male pride and ego, and also because they can be seen from a distance and everyone notices them. How about you?**

I make these sculptures because I want to emulate ancient civilisations. And I like the fact that I don't need to have, say, the Mayan, Toltec or Inca empires to achieve that, but that I can do it myself. Modern technology lets me make sculptures that would have taken a lot of people to create in the past. And I can forge them out of one big piece of granite with the help of just a few craftsmen. Plus, back then, it wouldn't have been so easy to quarry such huge chunks of stone. I am in a position to do that. I can simply do something that wouldn't have been possible back then. And I would say that huge chunks of stone have this innate power even before they have been sculpted. The energy in a big block of stone is incredibly riveting. That's why I try to adapt my sculptures to the stones I am using; I don't want to despoil them too much. I want them to retain as much of

the mass of the block as possible, so the shapes on the surface are more there just to add excitement.

**So you always want to keep as much of the block together as possible?**

Yes, precisely. Because that's what fascinates people. All it takes is a huge, say, upright stone in the landscape and people are automatically drawn to it. But don't imagine that I called the quarry and told them to quarry me one 72-tonne block and another 100-tonne block. It was the other way round. Vojtěch Mai, the chief quarrier at the quarry in Ruprechtice, near Liberec, got in touch to tell me that he had come across a sintered deposit of granite, the likes of which are discovered once in a hundred years, and that he would be sorry to see the stone broken up to become paving blocks or kerbs. Knowing that I make big sculptures, he asked if I'd be interested in the blocks. I said I was interested, but didn't have the cash. And because they were very accommodating and were not in a hurry to get paid, I had the stones extracted from the quarry and then I paid for them gradually.

**So the stones actually came to you, rather than the other way around?**

Yes. I wouldn't even dare to consider such large stones. By the time I saw the four-metre one that is now Victory of the Robots, it had already been broken in the stonemason's shop and I liked the format, so I bought it. But that's still only about eighteen tonnes. I don't think I would have dared go for stones around 50 or 100 tonnes of my own accord... But once I've made the decision, it doesn't seem such a big deal.

**Is there any limit to how big a sculpture you can make from one piece of stone? Can we expect any bigger than the ones you're working on now?**

We can only use as much stone as can be craned out of a quarry. And that hundred tonnes we're talking about is kind of the outer limit. So we're not going to see any bigger ones, simply because, even if we do quarry a block like that, we're never going to get it out. A quarry is basically a giant hole and you have to pull the stone out with a crane that has a sixty-metre boom (crane), so that's immense leverage. Just to give you an idea, that sort crane,





it's not something you can just drive in there. Three trucks come in, unload the parts, then it takes three days to assemble the crane on site, and finally it's loaded down with trucks filled with stone to keep it from toppling into the hole. It's such a risky job that when we were hauling the rocks up, everyone who works with rocks came from all over the region to see it because they thought it was going to break off.

### Merciful 20th-Century God and the Holocaust Memorial

Jaroslav Róna already has plans for the two giant blocks of stone. The smaller one is currently being turned into a sculpture called Merciful 20th-Century God. The artist says of it, "It is an ironic title. Basically, it's a monster, because the 20th century, in my opinion, was probably the craziest century in human history. I mean, craziest to date, not counting Genghis Khan and those that came after him in Asia. I wanted to create a kind of warning, a monolith that would also evoke Aztec and Celtic statues and gods." Jaroslav Róna wants to use the second block for his Holocaust Memorial at Prague's Bubny Station.

### Why did you choose the quarry in Ruprechtice for the material for your sculptures? Is the stone there of exceptional quality?

I started using that quarry because I found out that this was where they got the stone for the Stalin statue (in Prague, the late 50s). So I thought it would be interesting to start making sculptures which are from the same stone, but which have nothing to do with Stalin and, in fact, are the exact opposite. That aside, the stone is amazing, and the biggest piece quarried

there before I started using the place was the 42-tonne block for Stalin's head. We quarried a seventy-two tonne block and then Vojta Mai, wanting to commemorate the Czech Republic's centenary, set himself the task of quarrying a hundred-tonne one.

### You said the block that is now Victory of the Robots immediately caught your eye. Does that mean that the subject-matter you had already come up with suited the shape so much you could keep the stone as compact as possible?

I always design a sculpture directly for a specific stone. So I have the block first, then I use wires to create a block with the same proportions, and when I am modelling the sculpture I superimpose the block so I know exactly how far I am from the surface. With Victory of the Robots, I had already figured out and plotted the design, that is, a robot holding a human skull aloft. But my drawing didn't quite match up with the block. So I adapted my idea to the stone.

### What was the story that took the sculpture from its conception and creation to the Dubai Expo?

► **Jaroslav Róna** I'll tell you my side of the story. After about three years of work, we managed to lift the block, which at that stage had only been sculpted on one side. You see, the whole thing is created horizontally. And I was so excited to finally see what it looked like standing up that I took a picture and wanted to show it off to someone. So I sent the photo to people I knew liked my big sculptures, which is mainly my wife Lucie, Leoš Válka, the founder and director of the DOX Contemporary Art Centre, and a third person was probably my friend, the sculptor Stefan Milkov. And now over to Marek...

► **Marek Vocel** I had become interested in robots as a subject two years beforehand because it was the centenary of the word "robot" and I thought it would be nice to come up

with a project structured around that. But I didn't have the time for it and, to be brutally honest, I couldn't think of anything good, so I just forgot about it. Then, by coincidence, I got to see a performance of Robot Radius, which they were rehearsing at DOX, a place whose commercial activities are represented by my agency. Laterna Magika was preparing it for the Expo in Dubai, both because of the hundred-year anniversary and because Laterna Magika as a theatre company has been historically associated with Expo since 1958, when it was actually created for the Brussels World Expo. The involvement of Radim Vizváry and Michal Pavlíček was a guarantee that it would be good, so I tried to help create the show.

I think it went really well, especially considering how hard it was during covid to finance art, how complicated it was to organise rehearsals, and so on. So that's how I revisited this subject after a year and a half, but I hadn't thought to pursue it further until I found myself in Leoš Válka's office during lockdown. Everybody's forced to be at home, so there we are, stuck next door to each other in the same building, and we were feeling pretty lonely and isolated there. And we took to visiting each other for one coffee in the morning and another in the afternoon, because we didn't want to be wallowing in that depression all alone. It was on one of those visits that I saw a printed picture of the statue on Leoš's desk. I saw a robot in it and thought it was very interesting, so I asked what kind of statue it was. And Leoš says, „Jarda Róna sent me this ten minutes ago to ask what I think of it because he's just finished it." I really liked the sculpture, and the next day I realised that the subject of the robot had come back to me in a roundabout way. The thing is, Jarda hadn't made it for the anniversary at all. It was just a coincidence.

► **J. R.** I didn't even know that there was going to be an Expo or that it was

the 100th anniversary of the robot. I was completely in the dark about all that.

► **M. V.** Jarda had been working on the sculpture for four or five years, it was...

► **J. R.** It was my personal way of grappling with the world of technology.

► **M. V.** One of the themes of the Czech pavilion at Expo is robotics from a technological, cultural, and social point of view. I thought it would be really interesting to have a huge permanent stone monolith there, warning against the technologisation of the world. This Expo is super modern, it's dedicated to artificial intelligence, and in this day and age, when NFTs and crypto art are the most trending art form, the statue was a complete contrast. It also goes very much against the grain of all the modern trends that you can see in the Arab world and in Dubai in particular. The long and the short of it is that I felt it would be a great fit there and I was looking for someone to support the idea. That's when I thought of approaching the PPF Foundation, knowing its focus, to probe whether an appropriate theme and subject of its support might be to take something so symbolic by a Czech artist of such unarguable quality to Expo. The Foundation instantly jumped all over it because the connection was obvious to everyone. And that's the whole story, a tale in which the interplay of various coincidences played a huge role.

**Mr Róna, you are a long-time collaborator of the stonemason, sculptor, and artist Jiří Kubík, whose family has a tradition of stonemasonry that stretches back several generations, so it's very much in his blood. What role did he play in the creation of Victory of the Robots?**

► **J. R.** Without him, there wouldn't have been a sculpture at all. He is a brilliant stonemason. And he directed the whole thing, all the work and the four other stonemasons who worked on it.

► **M. V.** I saw him for about the third time in my life as the inscription on the



Jaroslav Róna in front of the Victory of the Robots sculpture at the World Expo in Dubai

## We support exceptional Czech art on the world stage

Jaroslav Róna is one of the Czech Republic's most outstanding and acclaimed artists. The journey made by Victory of the Robots to the World Expo in Dubai excellently showcases our contemporary art scene. The commemoration of the centenary of Čapek's word "robot" and the context behind the idea is more appropriate than ever today. The themes of artificial intelligence, technology, and automation are attracting increasing attention worldwide, compounded by the international interest focused on the Expo.

**Jana Tomas Sedláčková**

Member of the Board of Directors, PPF Foundation



base of the statue was being completed, and I was amazed to this seventy-seven-year-old gentleman running around, polishing the stone, and putting the finishing touches to bits. Jarda was there for the final approval, and he says, “Let’s call it a wrap, it’s time for it to go.” And Mr Kubik retorts, “No way! This statue is going to Dubai, and if an Arab stonemason happens to come along, he’ll think – Kubík didn’t finish this or that!” And yet these were details that I don’t think Jarda was insisting on.

► **J. R.** That’s stonework stuff. You can’t just leave a certain type of edge there. They say it has to be knocked down in a particular way or some kind

of structure has to be forged. It’s kind of their own jargon, much like glass artists and graphic designers have. And I’m learning it from them because I’ve never worked with stone. I learnt to hew wooden sculptures, but I haven’t carved in stone myself. Except for the granite sculpture of the Frog, some of which I had to carve myself in the end – when you’re making buckled or twisted surfaces, that’s not a job for a stonemason because you can’t measure it accurately. I have to do it myself because only I know how I want it. But if the sculpture is geometric, like Victory of the Robots, it can be measured and templates can be used,

so the stonemason can work to two or three millimetres above the final surface without me having to correct it.

**And how did you start working with Jiří Kubík in the first place?**

► **J. R.** I have a studio in the Jewish cemetery and I designed my father’s grave there. I needed someone who would do the lettering on it perfectly. He was recommended to me because he works for the cemetery and he is second to none. That’s how Jiri Kubik and I met. Then I did another tombstone with him, and I mentioned in passing, “Why don’t we make a proper statue, eh?” And he



immediately says, “All right, you’re on.” And there was I thinking he mostly just carved letters. We started with large graves, and then we began to make a monument for Pavel Štingl’s family, which was a fairly big project. Then came Victory of the Robots, and now we’re working on those giant pieces we discussed. And there’s been no hesitation at all on his part. He has never said he was old or he didn’t have the energy, nothing like that. He really loves it. What happens with me is that I might start working with some materials for the first time in my life, and immediately the best craftsmen who have been doing it all their lives team up with me. It’s not that I go looking for them, but that’s always how it ends up somehow or another. And that makes me very happy.

**The task of transporting Victory of the Robots to Dubai was quite an adventure and must have given you a lot of experience. Is there anything you will do differently when you move the robot back to the Czech Republic? And where will it be permanently installed?**

► **M. V.** With all the experience we’ve gained, and after the hassle of transporting and installing it on site, the journey back won’t be such a problem from a technical perspective, and we probably won’t be pressed for time either. Then there’s the fact that we now know the local contractors, such as the people who can supply cranes. We know who we can and can’t communicate with, who we can rely on, stuff like that. Having said that, we don’t have an absolutely fundamental interest in bringing the statue back; it could be sold and installed in Dubai or elsewhere in the Gulf region. Because when you’ve transported something weighing eighteen tonnes halfway around the world, and it carries the meaning I have mentioned, plus today it has a clear link to Expo, then I would

find that symbolic, interesting and, of course, profitable as a producer.

► **J. R.** For me, the main thing is where the statue should stand. Obviously, it’s important for me to sell the statue so I can have money to make more statues. On the other hand, these big stone sculptures are at the top of the whole pyramid of work that I do. So where and how the statue will be sited is paramount to me. I’m not a fan of making sculptures just to sell them somewhere – anywhere. No, it has to be in a really dignified place and it has to mean a lot to the people who buy it, too. As long as that happens, it doesn’t matter to me whether it is in the Emirates, here in the Czech Republic, or elsewhere in Europe.

**So there’s no specific idea for a location at the moment?**

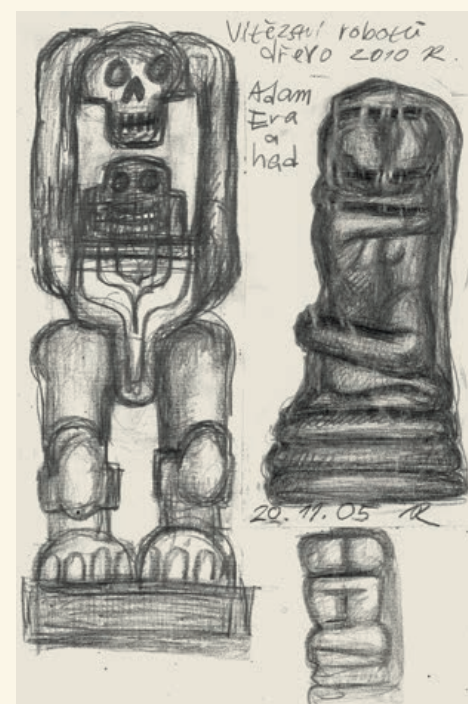
► **J. R.** I have only had one offer so far, but it’s very interesting. Masaryk University in Brno would like to install the statue in front of the Faculty of Information Technology. But we haven’t discussed all the details yet, so we’ll have to wait and see. The truth of the matter is that I finance the production of these big sculptures mostly from the sale of paintings and interior sculptures, because it’s really rare for big things to sell.

► **M. V.** You also have to remember that nobody, really, is making stone sculptures today.

► **J. R.** That’s true, no one creates huge granite ones like this. I don’t even know of anyone abroad who makes anything in this vein. It takes a really long time and it’s expensive. The block of stone alone costs a million and a half. Lifting it out of the quarry and placing it on the edge alone is two hundred and fifty thousand. And that’s with a discount. The thing I love about doing things like this is that it looks like it can’t be done at first. That’s what I like about it. It’s the same as when climbers arrive at the base of a mountain and look up. That’s how I feel: it can’t be done. And

then I’m like, “Well, let’s give it a go!”

► **M. V.** And I guess we have that in common.



Sketch of Victory of the Robots (one of the original sketches) and Adam, Eve, and the Serpent



Interview with Jaroslav Róna and Marek Voceľ



Henri de Saint Pierre,  
the renowned French collector, at the PPF Art depository



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## PPF Art



PPF Art represents PPF Group's activities linked to the visual arts and photography. It maintains collections of photographs, paintings, sculptures and other works of art, exhibits them as part of the curated installations in Prague galleries that it operates, and loans works from its collections to exhibitions around the world. Besides collecting and exhibiting works, PPF Art promotes education and knowledge of art.

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# A Quarter of a Century of Caring for Art

Karel Cudlín,  
Yasinia – Ukraine  
photograph

PPF Art was founded in 1995 as a hub for PPF Group's work in collecting and looking after fine art and photography. PPF has been systematically involved in supporting the arts since the 1990s. In that time, it has helped to restore, salvage, and realise numerous unique works of art and projects.



333 paintings and other works of art are currently cared for by PPF Art in its management of the Group's art collection.

PPF Art is responsible for the operation and exhibition programme of the Václav Špála Gallery in Prague and the Josef Sudek Studio, a gallery on the site of Sudek's original studio in Újezd, Prague, which PPF helped to restore. The company has organised 227 exhibition projects in both galleries since taking over their management. Outside of gallery management, PPF Art exhibits works from its collections through loans, joint exhibitions, and touring projects in the Czech Republic and abroad. Besides taking care of the collections, PPF Art supports young Czech artists by purchasing their works.



ppf-art.cz

## Art collection

The company takes care of an extraordinary collection of artworks, mostly paintings and sculptures, including works by Luděk Marold, Mikuláš Medek, Alphonse Mucha, August Piepenhagen, Maxmilián Pirner, and Jakub Schikaneder. Contemporary artists featured in the collection include Tomáš Císařovský, Jan Merta, Petr Nikl, and Ivan Ouhel and others. Selected paintings, photographs, and sculptures from the PPF collection are installed in the interiors of buildings where Group companies, such as PPF Gate, ArtGen Office Gallery and SOTIO, are based.



painting collection  
ppf-art.cz

## Photographic collection

PPF Art manages one of the largest private collections of Czech and Slovak photography, comprising 2,270 works by 229 artists. This collection has deservedly earned respect in the Czech Republic and abroad. At its heart is the work of Josef Sudek and a group of Czech photographers from the last two centuries, such as the world-renowned František Drtikol, Jaromír Funke, Ivan Pinkava, and Tono Stano.

"It is easy to say that it is the largest, most comprehensive and best quality private collection of Czech photos in the world. I don't know any other collection of that level in private hands and, thanks to PPF, it is in the Czech Republic."

• **Henri de Saint Pierre**  
the renowned French  
collector



photographic  
collection  
ppf-art.cz

## Thirteen new artists and a charity auction

Last year, the collection curators, together with other experts from the world of contemporary Czech photography, selected works both by established artists and young photographers. In 2021, the collection grew to include an additional 90 photographs by 29 artists, 13 of whom appeared in the collection for the first time.

The purchase of 14 photographs from the art group known as 400ASA earned CZK 100,000 for the Hagibor Social Care Home in Prague. This home for the elderly will use the joint donation from the photographers Karel Cudlín, Jan Dobrovský, and Martin Wágner, and PPF Art to purchase wheelchairs and other assistive aids.



Jiří Thýn,  
Untitled,  
photograph



Jakub Schikaneder,  
Evening Prague,  
oil on canvas

## Collection loans and returns

In 2021, Jiří Načeradský's White Machine and Yellow Machines graced exhibitions at the Gallery managed by the Museum of Moravian Slovakia in Uherské Hradiště and at the Gallery of Fine Arts in Cheb. Last year, PPF Art loaned Vladimír Janoušek's sculpture Kafka's Trial to Museum Kampa. In 2021, the painting Resurrection by Květa Válová and The Woman and the City by Mikuláš Medek, which were on a long-term loan to the National Gallery Prague, were returned to the PPF Art depository.

On the occasion of the national holiday marking the establishment of independent Czechoslovakia, PPF Art lent its exhibition collection A Century of the Czech Republic in Photography to the Czech Embassy in Washington, DC. The exhibition works were divided into four blocks of artists depicting the development of life in the territory of the country: the Czech Lands prior to 1918;

the period from the establishment of Czechoslovakia as an independent state until the end of the First Republic; the totalitarian Czechoslovak Socialist Republic; and the democratic Czech Republic.

From October to December 2021, Trutnov City Gallery hosted the photography exhibition Silence Behind the Silence. The PPF Art collection's works by Josef Sudek, František Drtikol, Jiří David, Jaromír Funke, Alexandr Hackenschmied, Miroslav Hák, Bohdan Holomíček, Václav Chochola, Lukáš Jasanský, Adolf Novák, Ivan Pinkava, Martin Polák, Jaroslav Rössler, and Tono Stano were exhibited. The photographs were accompanied by paintings from the PPF Art collections: Two Cups by Jan Merta, Still Life with Fruit by Alfréd Justitz, Planting Potatoes by Józsa Úprka, Woman with a Cigarette by František Viktor Mokrý, and Evening Frame of Mind by Jakub Schikaneder.



Václav Špála Gallery,  
Národní třída, Prague

## Václav Špála Gallery

In its exhibitions, the gallery focuses on the contemporary Czech artists, with an emphasis on mapping the various positions of contemporary painting, photography, and sculpture.

In 2021, the gallery held six exhibitions, the most successful of which was Michal Škapa's autumn graffiti installation T2B. The artist transformed the gallery space

with internal installations, one of which was his own studio, where he painted during the exhibition. He painted the gallery walls in a street art style.



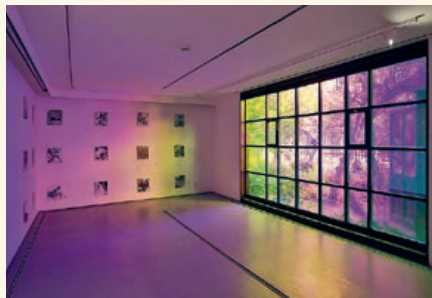
Interior of the  
Václav Špála Gallery



[galerievaclavaspaly.cz](http://galerievaclavaspaly.cz)



Interiors of the Josef Sudek Studio



Josef Sudek Studio, Újezd, Praha

## Josef Sudek Studio

The gallery on the site of Sudek's original studio specialises in fine art photography and its role in the context of contemporary art.

It presents the output of Czech artists from the younger and middle generations who work with the medium of photography within the post-conceptual tendencies of contemporary art. The legacy of Josef Sudek's work regularly appears in exhibitions here.

Of the six exhibitions held in 2021, the summer exhibition commemorating Josef Sudek's photographs inspired

by the work of sculptor Hana Wichterlová drew the greatest response. Wichterlová, a contemporary of Sudek, was an important figure in Czech art. She worked near his studio. Sudek's photographs from the world-famous Garden of the Sculptor collection and images depicting Wichterlová's sculptural work were complemented in the gallery by original sculptures from her family's estate. PPF Art prepared

the exhibition in cooperation with the Museum of Decorative Arts, the Institute of Art History of the Academy of Sciences of the Czech Republic, and the family of Hana Wichterlová.



atelierjosefasudka.cz

# Behind the picture

Lucie Drdová, Jan Řehák

Author: Lucie Drdová

Two generations, two gallerists. Art historian Lucie Drdová and PPF Art director Jan Řehák on the long-term direction and mission of the PPF art collections, their historical continuity, and new chapters. And also on the broader meaning of art and its exceptional ability to transmit and develop important personal and social values.

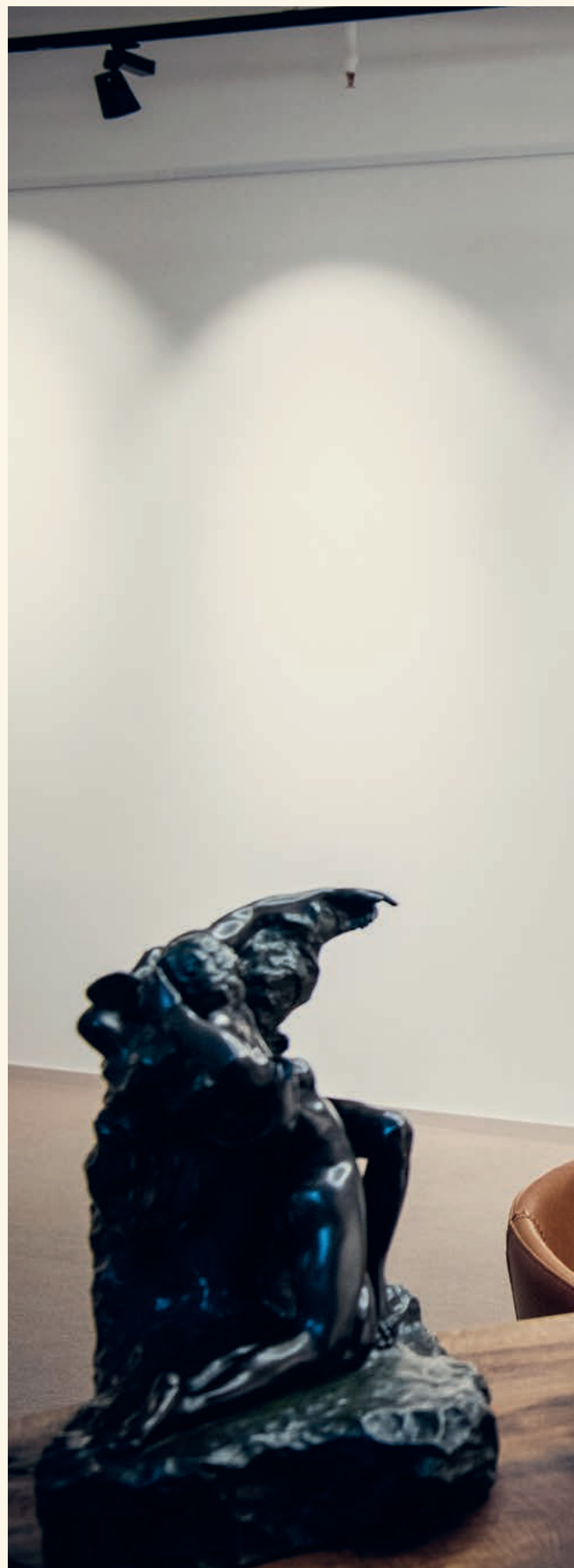
It occurs to me that this text would have had a different tone had I not met Jan Řehák, the director of PPF Art, in March 2022, after the dusky atmosphere of war had descended. Hours spent in the company of a fine gentleman discussing the importance of culture, values, and art made me forget, at least for a moment, the immediate reality of those days. Afterwards, I pieced together the fragments of the conversation into a mosaic that forms an overall picture of our awareness of the importance of developing cultural heritage. Not only at the institutional level, in PPF Art's work, but above all in our individual relationship to art, which plays a role in defining our thinking about the world and logically guides us in our fundamental decisions.

## The art of inspiration, the art of respect

Mindful of the words of philosopher Anna Hogenová, who argues that we each reveal ourselves, among other

things, in conversation with others, we begin our talk with a brief sketch of our own history, of how we first approached art through family and education. Jan then mentions emigration and the need to live in a free society. There is always an uncharted path that leads to fundamental decisions and to the acceptance of risk. We can only walk it with the courage necessary to realise that imprinted within us is previous knowledge and experience. The archetype is necessarily inspiration drawn from art that conveys the legacy of previous generations, and from the artists themselves who came up with fresh and daring visions and realisations.

The mediation of art has always been one of the fundamental motivations behind the PPF Art's work. It is through artistic statements that we learn to respect other people's opinions. This is freely voiced enunciation that we could easily reject, but it teaches us to look beyond the first plan. The





artist's intent need not necessarily – and in most cases does not – coincide with our understanding. But it is a way of stimulating our own thinking and seeking our own interpretation. Art is meant to evoke emotions. It arises from a great inner urge to comment on the world around us. It gives the perceptive person the possibility of self-discovery

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**Jan Řehák (born 1952),** director of PPF Art a.s., has held numerous jobs in Czechoslovakia and abroad, where he has put his technical and economic education and knowledge, along with his creativity, to use. He has been settled permanently in the Czech Republic since 1996 and has worked for PPF for the last twenty years.

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**Lucie Drdová (born 1982),** art historian and gallerist, founder and director of the Lucie Drdova Gallery in Prague, co-founder of the Alliance of Galleries of Contemporary Art.

in everyday life and, according to Jan Řehák, it also motivates us to acknowledge other opinions, to seek new paths, including an assessment of the risks involved, and to apply abstract thinking to rational decision-making in all areas, including those that are technical or financial.

Jan and Petr Kellner were also engaged in constant dialogue. Their conversations took place in front of pictures. Both understood the need to promote cultural assets and to foster refinement and social responsibility. Intuition and their relationship to art played a big role. From the outset, the collections and exhibition institutions supported by PPF Art have been steadfastly conflated with the idea of continuity and tradition. Parallel to

this, the importance of supporting the contemporary scene and living artists is evident in each of them. This duality is most apparent when we consider the motivation and overlap of the Foundation's long-term activities.

### **Photography: between tradition and the future**

The first act was to reconstruct the unique studio where Josef Sudek (1896–1976) worked. This Czech photographer, and especially his unique photographic work, has influenced many subsequent generations while building on a strong existing tradition. The restoration of the studio is certainly a unique feat even in an international context, as it preserves a site of original work that constantly inspires and reminds us of the conditions under which art is created. Sudek's photographs and his studio evoke poetic images. The basic set of avant-garde photographs acquired by the Foundation along with the studio grew into a collection unparalleled in its field in the Czech Republic. The legacy of the collection has expanded both domestically and internationally. Most importantly, it continues to be conveyed in a conceptual form.

It is no surprise that contemporary Czech photography has many high-quality artists and schools that focus not only on the actual work with photographic and media images, but also on how that work is reflected. At the same time, with overlaps into the visual arts, artists and educators are exploring how to look at and grasp reality. All of these tendencies can be identified in the portfolios of young artists that the Foundation adds to its collection each year. Their representatives, such as Lukáš Jasanský and Martin Polák, Jiří Thýn, and Alena Kotzmannová, are already internationally renowned artists. The momentum underpinning this development is also present in the exhibition programme

of the Josef Sudek Studio itself, where the middle and youngest generations of artists are regularly given space.



Unlike the current trend for private collections to be conceived and built primarily according to the preferences of the collector, the PPF Art photographic collection has emerged as an institutional venture with a high degree of erudition reflecting its original theoretical starting points. Although this may not be apparent at first glance – as the Studio's work is sophisticated, long-term, intimate, and less familiar to the non-expert public – the collection, along with the active exhibiting and publishing undertaken

by the Foundation's broader curatorial base, ranks it among the leading European institutions.

### **The exceptional continuity of the painting collection**

The selection of paintings primarily from the most recent centuries and originally owned by Česká pojišťovna is of an altogether different nature. This acquisition is an example of how PPF Art is thinking about preserving the legacy of institutions. Nearly two hundred years of activity has formed into a group of artefacts that have a high market value, but whose symbolic value we would struggle to quantify. Although the collection does not bear any distinctly sophisticated features in terms of the curatorial concept underpinning its composition and selection, it is exceptional in its continuity. As in the past, it continues to be enriched with works by contemporary painters. Besides the historical tradition, there is once again a natural need to support living artists, i.e. to become part of the values of the future.

To be able to be close to the creation of new works of art and to gain an insight into the creative process is one of the most enriching experiences. This is where we encounter the aforementioned courage and reflection that is free of original rules or limits. Only under these conditions do works emerge that change the existing canon and subsequently inspire. The past and present centuries have brought many distinctive and dynamic turns and creative positions referencing the state of contemporary society. An important figure in the Czechoslovak context was Jindřich Chaloupecký (1910–1990), the theoretician and critic of art and literature. He held several artistic generations in dialogue and contributed significantly to their mediation in the European context. In the first half of the 1960s, as the curator of the Václav Špála Gallery, he gave space to



emerging artists, and at the same time he succeeded in introducing the work of Marcel Duchamp, a groundbreaking figure in the history of art, to the general public by holding a historic exhibition of his work in what was then Czechoslovakia.

Even today, the Špála Gallery is a place where, through solo shows, new works by the middle and younger generations of artists are presented. The curatorial concept and exhibition programme do not aspire to boldly critical discourse. The focus is more on engaging with the audience so that the prestigious venue maintains an amenable relationship with the viewer. In a similar vein, PPF Art has opted to make regular additions to its collection of paintings by acquiring the works of exhibitors. There is no specific idea here geared towards forming a collection or what is to be in the collection. The motive is twofold: on the one hand, to support the exhibiting artists themselves and, on the other hand, to have an opportunity to re-display the works and, where appropriate, act as a go-between so that they can be exhibited outside the gallery setting.

### **Supporting art is an investment in society**

At first glance, PPF Art's philanthropic activities, not only in the visual arts, seem rather inconsistently profiled. What transcends them, however, and can be seen in the plan going forward, is the distinctly unifying idea of continuing a shared tradition and history. To paraphrase Jan Řehák's words about the "different" philosophy of PPF Art's approach to philanthropy, it is inherently frugal, while at the same time generous in its actions.

PPF Art, in cooperation with the PPF Foundation, not only supports, but also participates in, the creation of cultural values at a high professional and institutional level. This includes seeking out cultural projects in which PPF can act as a patron. Naturally, it also works to up the value of the collections, but by far the more fundamental artists' investment lies in its relationship with the cultural and artistic scene and with the general public. Through its activities, it creates a cultural dialogue that necessarily promotes education and the openness of any democratic society.



National Vaccination Centre, O2 universum, Prague



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## CSR at PPF Group



PPF Group companies engage in CSR and non-profit activities relating to their line and place of business. At the Group level, the specific focal points of support and key activities are coordinated to amplify the impact of these projects. This also enables PPF companies to benefit from exchanges of experience and information and from resource sharing. Since 2020, many of the Group's CSR programmes and activities have been brought under the umbrella of the PPF Foundation.

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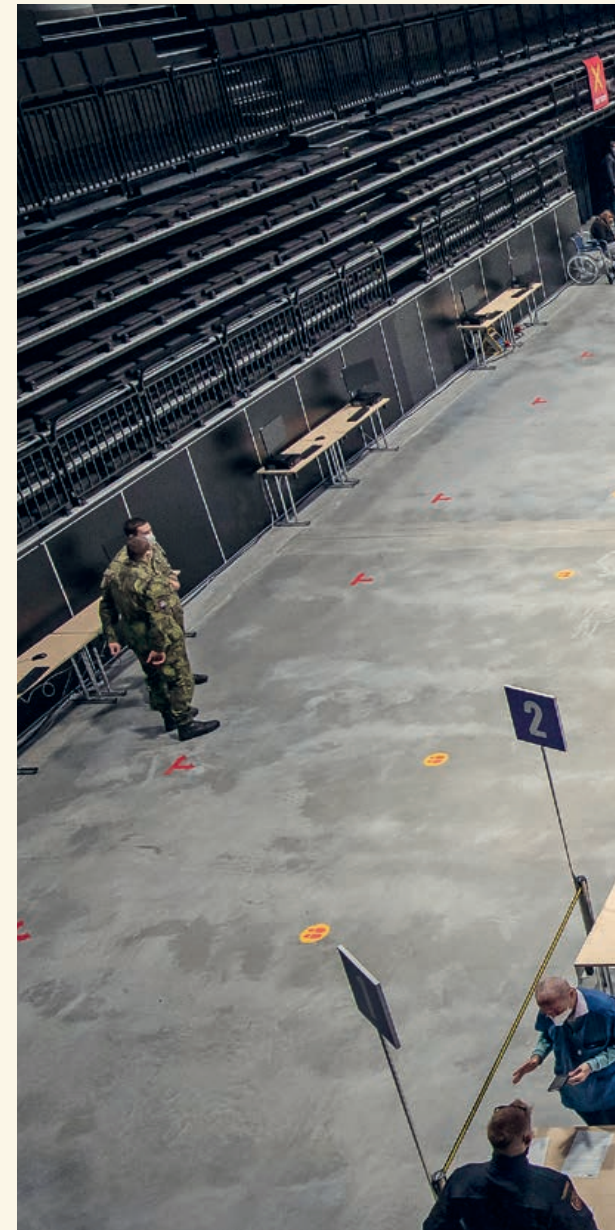
# CSR at PPF Group

The core CSR areas pursued by PPF Group companies in their lines of business have shared foundations. Financial services companies dedicate themselves primarily to fostering financial literacy and the responsible management of personal finances. These programmes, which are run internationally in collaboration with local organisations, educational institutions, and other partners, include financial or in-kind support, workshops, and the production and distribution of publications, videos and digital apps.

In 2021, the Group's telecommunications companies focused, among other things, on enabling access to online education, on promoting and developing this resource among schools, on internet safety for children and rules governing safe online practices, and on developing new digital tools and services that promote technological literacy and opportunities to use advanced communication technologies

in the public sector. A common form of cooperation between telecommunications companies and partners is the provision of free or discounted services and the coverage of their communication needs.

In 2021, amid the ongoing fallout from the global COVID-19 pandemic, the top priority of PPF Group companies' CSR activities was to protect the health of PPF employees and customers and to help deliver essentials and medical supplies to local communities in all countries where the Group has its businesses. PPF Group companies provided both financial and in-kind support, with Group employees and teams contributing to relief efforts in numerous countries.





National Vaccination Centre,  
O2 universum, Prague

## Selected 2021 Issues

### National Vaccination Centre in Prague

During the COVID-19 pandemic, PPF Group (through Bestsport, a.s.) presented the Czech government with the opportunity to set up a high-capacity National Vaccination Centre, free of charge, at the O2 universum conference centre in Prague. This public vaccination centre, the largest of its kind in the country, was run in partnership with the Military University Hospital Prague and the Czech army. The assistance and support provided by army personnel in the operation of

the centre earned positive feedback from the public on how smooth the whole registration and vaccination process was thanks to the clear, easy interaction and the helpfulness of the staff towards the people receiving the vaccination.

The O2 universum National Vaccination Centre opened after an April stress test involving 1,000 vaccinees and remained in operation for 131 consecutive days. Between 3 May and September 2021,

over 570,000 vaccines were administered at O2 universum. Personnel from eight units of the Czech army and active reservists from Prague and the Central Bohemian Region helped to keep the centre operational. Over the period that the National Vaccination Centre was open, more than 200 doctors, 130 pharmacists and pharmacy technicians, 275 nurses, paramedics, and assistants, and 250 non-medical staff were involved in the provision of services here.



Marek Košut,  
mayor, Moravská  
Nová Ves



Tornado-damaged  
primary school in  
Moravská Nová Ves



## Tornado in south Moravia

In the wake of the devastating tornado that swept through south Moravia in June 2021, PPF Group immediately showed its solidarity by facilitating the support of Group companies' employees. This assistance yielded CZK 3.3 million in a matter of days. PPF shareholders augmented this amount by donating a further CZK 4 million. PPF Group companies also took part in other relief programmes in the disaster-hit areas. In a single week, O2 employees collected more than half a million crowns, which the O2 Foundation matched by donating a further CZK 500,000. All the funds raised were subsequently made available to help the village of Moravská Nová Ves – one of the localities hit hardest by this natural disaster.

Reflecting the philosophy of The Kellner Family Foundation, the Group decided to support the education sector with financial donations by contributing to the budget of the municipality as the founder of the local primary school. The PPF funds will be used to repair and restore the primary school building, which sustained heavy damage to its shell, roof, and equipment during the tornado. Once the initial steps had been taken to secure the building against seepage, urgently repair the roof, and put the building back into temporary use, most of the children were able to return to their classes at the school in September 2021. The Group is working with the village mayor to ensure that the donated funds are used effectively so that they can be of the best possible assistance, especially where systemic government assistance falls short.

# Index of Cancer Preparedness

## The Czech Republic ranks eighth in cancer preparedness.

PPF and SOTIO initiated the Czech Republic's participation in the Index of Cancer Preparedness. This is part of the World Cancer Initiative, an international project that the Economist Impact Group has spent years developing. The scheme comes a symbolic 50 years after US President Richard Nixon called, in 1971, for efforts and resources to be pooled internationally in order to combat the disease. Despite the billions spent on investment and the efforts of thousands of researchers and hundreds of scientific teams around the world, the war on cancer, as the campaign soon came to be called, is far from over. In this fight, a benchmarking project has shown that the Czech Republic ranks eighth among the countries most prepared for cancer.

In the Czech Republic, data for the benchmarking study – including health statistics on prevention, care, access, equipment, and treatment success rates, information from scientific education and research, and the evaluation of support from government and public institutions – was harvested over several months in 2021. The investigation was backed by project partners, including the Institute of Health Information

and Statistics of the Czech Republic. The Czech Immunological Society and the Czech Society for Oncology provided consultations and expert guidance.



“We have been researching and developing cancer drugs for over 10 years. Because cancer is a global issue, we need to keep an eye on what is happening around the world and how other countries are approaching cancer care and prevention. We believe that here, as in other fields, international insights are vital.”

Ladislav Bartoníček,  
CEO and shareholder of PPF Group

The findings were compared with results from other countries in three main categories: policy and planning, care delivery, and the health system and governance. Of the 29 countries in the study, the Czech Republic ranked just behind the US and France, and ahead of Sweden and South Korea, in an index

of 45 metrics. The overall standings were headed by Australia, Canada, and Germany. The index showed that the Czech Republic's strong points are its healthcare infrastructure, the availability of skilled cancer specialists, prevention and screening programmes, and early detection of the disease. There is room for improvement in the national strategic plan for cancer control and treatment, and in ancillary care for cancer patients and survivors. The data revealed poorer performance in one of the key cancer indicators, five-year survival. The Czech Republic's investment in cancer care is also lower than in other countries.

### Health System and Governance

The Czech Republic scored best in the category of the health system and governance. Infrastructure is a particular strength, ranking second behind Germany. The Czech Republic tops the list in the number of surgeons per 1,000 inhabitants and is the leading country by number of oncologists. It is also in the top ten by total number of trained medical staff, i.e. doctors and nurses, per capita.

## Care Delivery

The Czech Republic holds a leading position in the Index in terms of immunisation to prevent certain types of cancer, largely thanks to national vaccination programmes for human papillomavirus (HPV) and hepatitis B among children. The country earned full marks for the development of its screening programmes, especially for breast, cervical, and colon cancer, which enable the disease to be detected in its earliest stages.

“Overall, cancer treatment in the Czech Republic is of a very high quality. The majority of cancer care is free. In other words, it is highly accessible, even though the treatment of a single patient can cost several million crowns.”

• **Prof. Jiřina Bartůňková**  
Head of the Department of Immunology, Second Faculty of Medicine, Charles University and Motol University Hospital

The Czech Republic also scored well above average in service availability, medicines, and its skilled workforce: of all the 29 countries of EU, it has the most radiation oncologists per capita, and is fifth in its number of clinical oncologists. Medicines described by the WHO as essential for treatment are available, registered, and fully covered by health insurance. The Czech Republic has also been successful in the development of new medicines.

One area where the Czech Republic is lagging behind in care delivery is the continuous aftercare and monitoring of paediatric cancer patients who reach adulthood, and specialised care for survivors struggling with the side effects of previous treatment. There is also room for improvement in the availability of psychotherapeutic care for cancer



Cancer Control in the Czech Republic, discussion panel



Dr Rob Cook, Clinical Director, Economist Impact

“Approximately 7 per cent of GDP is allocated to health care in the Czech Republic, while in neighbouring Austria it is 11 per cent. Nevertheless, a Czech patient expects the same quality of care as someone 200 km away in Austria.”

• **Prof. David Cibula**  
Head of Gynaecologic Oncology Centre, General University Hospital in Prague

patients, in the number of nutritionists and palliative specialists, and in hospice capacity.

## Policy and Planning

It was in this area that the Czech Republic performed most poorly, ranking 15th. One weakness is the absence of a comprehensive strategic cancer control plan, including an implementation framework and regular evaluations of the targets pursued. The national register maintained by the Institute of Health Information and Statistics, which is updated monthly, published, and used as a basis for evaluating prevention programmes and the costs of cancer treatment, scored highly. The early detection of a higher number of diseases should help to improve quantitative metrics such as five-year survival, where the Czech Republic trails behind.

## Conference

The project conclusions were discussed at an international scientific conference hosted by the PPF GATE building in Prague in November 2021. Participants included Prof. George P. Canellos of Harvard Medical School & Dana-Farber Cancer Institute, Dr Rob Cook, Clinical Director of Economist Impact, and Dr Lorenzo Galluzzi, Ph.D., of Weill Cornell Medical College. The standard of cancer care in the Czech Republic was

JCDecaux

# Věda je odvaha.

**TALENT A VÁŠEN SI NAJDOU  
SVOJI CESTU, POKUD MÁJÍ  
PŮDPORU A CÍL.**

Věříme v přemýšlení, objevování a hledání nových cest. Podpora zvědavosti, touhy po poznání a vzdělávání je naší společnou investicí do budoucnosti. Od školního věku přes středoškolské studium a stipendia pro talentované studenty až po vědu na světové úrovni hledající léky na onkologické onemocnění. Příležitosti a sny, kterým pomáháme růst.

**INVESTUJEME  
DO BUDOUCNOSTI  
ČESKÉ VĚDY.  
JSME PPF.**





also addressed by doc. MUDr. Tomáš Bůchler, Ph.D., Head of the Oncology Clinic at Thomayer Hospital in Prague, Prof. MUDr. David Cibula, Head of the Gynaecologic Oncology Centre at the General University Hospital in Prague, and Prof. Radek Špišek, CEO of SOTIO.

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“We are the first Czech biotech company to have drugs in Phase II and III clinical testing.”

• **Prof. Radek Špišek**  
CEO of SOTIO

Trends in cancer care were summarised by Prof. Canellos, who said that, thanks to chemotherapy in particular, some types of tumours are now very treatable, certain types of leukaemia are no longer a frightening diagnosis, and treatment has significantly improved the prospects of paediatric patients with various types of tumours. The oncological landscape has been changed significantly by monoclonal antibodies, which break through the defences of the tumour cell, and by the advent of immunotherapy drawing on methods that will trigger the immune system to destroy tumour cells that have slipped under the radar.

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“If we can get cancer cells under the control of the immune system, there will be no clinical manifestation of the disease. That’s the way to go.”

• **Dr Lorenzo Galluzzi**  
Weill Cornell Medical College

Dr Cook cited opportunities to improve current trends by changing people’s habits. He said that up to a third of cancer deaths are linked to

The “Science is Courage” campaign to promote science and education backed by The Kellner Family Foundation and biotech company SOTIO

five major behavioural and dietary risks: high BMI, lack of physical activity, inappropriate diets with low fruit and vegetable intake, smoking, and alcohol consumption. Dr Bůchler acknowledged the high quality of Czech oncological care, but pointed to the low prestige of the field and the stark difference in the remuneration of doctors in the Czech Republic compared to other countries, as well as the low motivation among Czechs to take care of their health since medical care, including cancer treatment and hospitalisation, is available free of charge.

• •

The project is part of PPF’s Insights series, in which the Group, in collaboration with specialist partners, aims to develop and share expertise in its lines of business, facilitating discussion and providing inspiration for the public, professional, and academic sectors.

The conference was brought to a close by Dr Lorenzo Galluzzi, currently one of the most cited scientists in the field. In his view, a pivotal factor is that the main focus is now on the immune system cell, i.e. it is no longer just the tumour cell that is targeted, as in the past. He stressed that immunotherapy does not work in the same way in all patients, and the challenge for scientific teams is to define biomarkers predetermining who will benefit from the treatment. This would also greatly influence the focus of oncology clinical trials in the future.



PPF Insights



Complete results of the Index of Cancer Preparedness

# Selected CSR Activities of PPF Group Companies in 2021

## Responsible financial services

Air Bank has long been a leader in responsible finance within the PPF Group in the Czech Republic, focusing on transparency and fairness in the services it provides. This is evidenced, among other things, by the repeated success that the brands from Air Bank Group have enjoyed in the People in Need Responsible Lending Index. The bank's responsible approach includes a corporate code of ethics, the clear wording of contractual terms and conditions, and disabled-access branches with a workstation for wheelchair users. In 2021, Air Bank was one of the

first private companies to subscribe to the idea of the Summer of Grace, aimed at helping people threatened with repossession amid the pandemic-related measures. The bank, along with numerous other financial institutions operating in the Czech market, also pledged to engage in environmentally and socially responsible business under the Czech Banking Association's Sustainable Finance Memorandum.

Financial and digital literacy is one of the enduring cornerstones of Home Credit Group's social responsibility in all

its markets. In 2021, over 16,000 people participated in Home Credit's educational projects: presentations, workshops, and online webinars. The awareness-raising information shared by Home Credit reached over 65 million social media users. More than 3 million people visited Home Credit's international website to learn about the basic financial literacy needed to manage personal finances responsibly.



Home Credit Group helps out in all the countries where it does business



Promoting digitalisation in education, Telenor Hungary's Hipersuli programme

## Digitalisation and technology for education

PPF Group's focus on education, digital literacy, and technology in schools is driven by O2 Czech Republic and its O2 Foundation, the oldest corporate foundation in the Czech Republic. In 2021, O2 launched *Bezpečně v síti.cz* (Safety on the Net.cz), a new informative website dedicated to raising users' awareness of the risks of the online environment, preparing them for these risks, and providing the related protection and education of children. This public outreach project was accompanied by an ambitious campaign on television, social media, radio, and public space. *Bezpečně v síti.cz* ties in with *Chytrá škola* (Smart School), O2's long-standing expert initiative to teach children, teachers, and parents how to use digital technologies correctly and stay safe online.

In 2021, O2 also promoted media literacy and raised awareness of fake news in the *Ověřte, nevěřte* (Gospel Truth) project. Alongside interactions on social media, the scheme also researched media literacy among teachers in partnership with the Faculty of Education at Palacký University. The fake news phenomenon also inspired *Verifée*. This is an automated data tool for verifying the credibility of news, which is being

developed by three young students – winners of the Robothon hackathon – at *Dataclair.ai*, O2 CZ's AI platform. As part of the *Svoboda není samozřejmost* (Freedom – Don't Take it for Granted) campaign, O2 commemorated key moments in the fight for freedom and democracy in the second half of the 20th century through the *Skryté příběhy* (Hidden Stories) mobile app.



In 2021, a record 252 schools responded to an invitation to apply for grants from the Foundation as it embarked on a third year of funding digital literacy education in primary schools.

The O2 Foundation awarded a total of CZK 4.7 million among the 67 schools it chose to support.

Other PPF telecommunications companies are also involved in organising digitalisation-related education and support. Carriers operating under the brand name Telenor (Yettel as of March 2022) rolled out these activities across all their markets in Central

and Eastern Europe in 2021. Telenor Hungary's award-winning Hipersuli programme united schools to help them move forward with digital innovation and transformation. Hipersuli features teacher training on technology and methodology that has been accredited by the Education Authority. The educational content created specifically for this project has now been shared by Hipersuli with over a hundred schools across Hungary.

In late 2021, Telenor Hungary and the local Red Cross branch launched the successful Digital Catch-up Fund to finance fledgling sustainable projects. In an effort to bring down barriers impeding access to education and online learning during the COVID-19 pandemic in 2021, Telenor Serbia provided free internet to thirty selected schools across the country and donated thousands of prepaid internet cards and hundreds of modems in a campaign that was also partnered by UNICEF, the European Union, and the Serbian education ministry.



[bezpecnevsiti.cz](https://bezpecnevsiti.cz)



[o2chytraskola.cz](https://o2chytraskola.cz)



[hipersuli.hu](https://hipersuli.hu)

# Society and communities

PPF Group loaned the Czech Philharmonic six string instruments crafted by master instrument makers

PPF Group companies have long sponsored community, cultural, and sports programmes in the places where they do business. In 2021, selected partners in the Czech Republic (over and above PPF Foundation projects) included the Czech Philharmonic and the Summer Shakespeare Festival. PPF banka once again supported the Jára Cimrman Theatre in Prague and, in a new development, became the general partner of the Cirk La Putyka company and the Jatka78 theatre. Even in the challenging circumstances of the pandemic, these remarkable cultural institutions were able to pursue their creative mission.

Škoda Group companies are among the biggest supporters of sports in the Czech Republic. Škoda has traditionally helped the growth of regional sport, with sponsorship including the likes of the HC Škoda Plzeň and Draci Pars Šumperk ice-hockey teams, Baník football club, and AK Škoda Plzeň Athletics Club. It is also involved in the running of public sports facilities such as the Plzeň Škoda Sports Park and Škodaland.





Jára Cimrman Theatre,  
performance of Záskok  
(The Stand-In)

## Inclusion and support for people with disabilities

A number of PPF Group companies' CSR programmes aim to support socially disadvantaged, disabled, or chronically ill children, and to foster opportunities for children and young people to engage in leisure, sports, and educational activities. In 2021, for example, these areas were targeted by PPF banka, which financially supported Pipan, a bilingual nursery school in Prague for the hearing impaired, and by CME Group TV stations: Romania's PRO TV contributed to the construction of the first local children's oncology hospital and supported fifteen other NGOs specialising in projects for children and young people. The abuse of young people, bullying, and social issues are the focus of Slovak TV Markíza's projects for schools, teachers, children, and young people. Risks, health, and opportunities for young people from

low-income families are themes embraced in the CSR efforts of the Slovenian station PRO PLUS. Its popular television programme Start-Up Slovenia stimulates and unlocks employment and entrepreneurship opportunities for the rising generations.

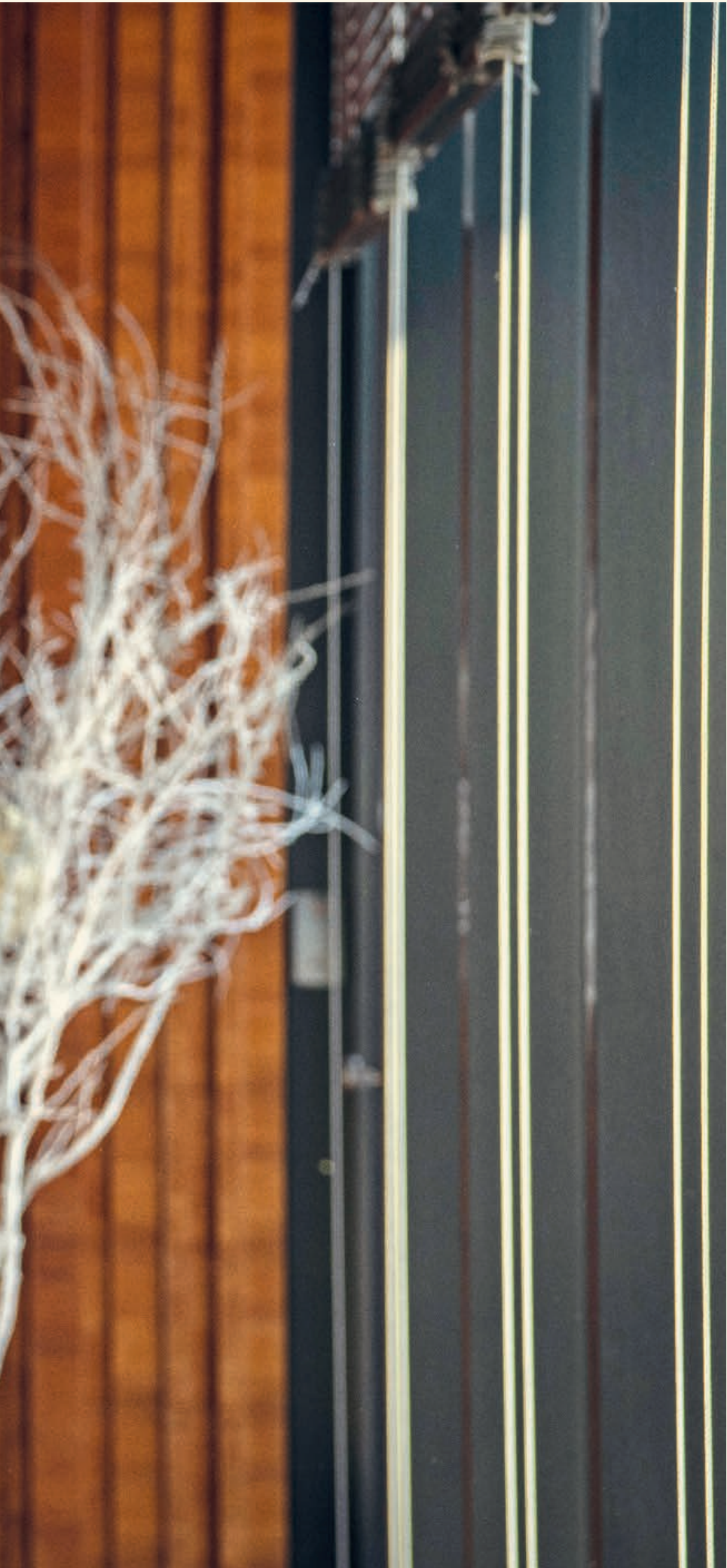
In autumn 2021, Telenor Serbia (Yettel) teamed up with the Athletics Federation of Serbia to launch the eighth series of Full Speed to the Stars, a project that – by organising fun and games and creating opportunities for group activities – promotes children's physical fitness, self-confidence, and commitment to playing fair. The initiative, which involves more than 50 Serbian towns and cities, was awarded a Campaign With a Purpose 2021 award. Last year, for the seventh year in a row, Telenor Bulgaria (Yettel) ran Open Mind, a two-year programme of educational courses for people with disabilities. This project upsills participants by engaging

them in real business projects with proper remuneration and providing them with subsequent employability in the labour market.

Social inclusion, including the promotion of the employment of people with disabilities, is an important line of CSR activities within Home Credit Group. In 2021, the company granted scholarships for IT engineering courses in Indonesia. In the same Indonesian region, the volunteering by Home Credit employees helped to create a Braille textbook for primary schools and an audiobook for sight-impaired children. To raise the profile of parasports and disability inclusion, popular Tokyo 2021 Paralympic silver medallist Ni Nengah Widiasih partnered Home Credit in Bali to support the building of a new gym for para-athletes and the production of a series of motivational videos for disabled athletes.



Jean-Pascal Duvieusart, PPF Group shareholder and Home Credit CEO



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## Sustainability



“It’s important that what you do is consistent with your values. Once you feel responsible for what you are going to pass on to the next generation, you start to factor in sustainability intuitively. Business and economic development can indeed be reconciled with sustainability. The fundamental challenge is to keep this multi-faceted approach from disintegrating.”

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# No business exists in a vacuum – you are always part of a bigger whole

Author: Andrew MacDowall

In early March 2022, Jean-Pascal Duvieusart, a PPF Group shareholder, spoke with Andrew MacDowall, a consultant and economic journalist, about sustainability-related topics and how they relate to international business and PPF Group.

## What do you make of the increased interest in sustainability these days, and how does it affect business?

I see a difference between ESG reporting, which is much discussed and increasingly demanded nowadays, and a more general underlying need for corporate behaviour and management to be guided by certain values that are shared in society. The latter is nothing new. When I was at McKinsey 20 years ago, I remember being involved in an initiative to eliminate gender inequality and enable women to have greater representation in the boardroom. I don't think anything has radically changed since then. When it comes to the basics of governance, transparency, and the internal organisation of companies, we all want the same things. Now, though, there is a much greater awareness of the external impact of doing business, of social or environmental issues, to a degree that was unthinkable back then.

There is a rising public awareness of global problems in which business plays a significant role, whether in relation to the environment, wealth inequality, or gender discrimination. Parallel to this, sustainability is becoming a natural part of strategy and thinking in corporate management, and is gaining traction in companies' ratings and valuations. The second source of interest in this agenda

comes from the market itself. Business partners, capital markets, and regulators are increasingly looking at the impact that companies' operations have on society with a view to containing the risks that they pose – for example – to climate change and social inequalities. On the other hand, companies need to show how they indicate and mitigate relevant risks in their strategic planning, including social and environmental externalities, unsustainable supply chains, and the like. In this regard, these partners are demanding transparent, measurable roadmaps and reporting. This puts a certain pressure on companies to say what role they are playing in tackling these challenges.

## So are ESG considerations good for external pressure, or do they also influence companies internally so that they align their values to sustainability?

Many very successful companies have long relied on an internally shared ethos, and tried to foresee the consequences of their actions and actively promote their values – even without ESG. What is new is the need to communicate these values and activities in a more structured way and to weave them into a specific strategy.

At PPF, value-driven thinking is not a new subject area either. Our corporate

values – agility and entrepreneurship, innovative thinking and creative problem-solving, and accountability – have not changed in the more than 30 years since the company was founded. There is no need for us to go on a voyage of rediscovery.

Our role in relation to ESG is to share and realise these values throughout our businesses. Our principles, which for the most part have not been codified because we view them more as a shared team ethos, need to be comprehensible for everyone. If they are readily understood, it is easier to deploy them in our business strategy and to project them in deliverables, such as the non-financial reporting, and CSR activities. It's actually great how the formalisation of reporting is turning otherwise rather subliminal values into something tangible and explicit. This will eventually not only yield better results, but also naturally align the company's values and vision with its business. And it will ultimately lead to better internal team cohesion and external relationships with partners and society.

## But why is it right now that we are seeing the rise of sustainable development and, consequently, ESG?

I studied at the University of Chicago, so I view this through the lens of a business school that believes in the power

of the free market and people's freedom of action. Changes in consumer thinking and behaviour and the resulting market trends drive demand. This is also the case with sustainability issues today.

Thanks to access to information, changes in society, and the opportunities occasioned by the technologies now available, people are beginning to think about work, consumption, health, education, and resources very differently than they did 15 years ago. Young people have really different expectations and ideas about their lives than my generation had, and they project their values quite naturally into their everyday decisions about study, work, the brands they buy, and so on.

The market – by which I mean companies and regulators – have to react. It is not just about sustainability at the level of risk management, operational procedures, transparency, and employment policy. Rather, this agenda is also changing the way we think about our business propositions, the product itself and its entire lifecycle. This is a good impetus for businesses: offer a fair product that delivers real value to the user and the marketplace, doesn't pollute the environment, and is of a quality that is rooted in the values you believe in as a company. Think long-term and look for opportunities in the context of potential changes and external influences. Cultivate your market and support your customers so you can win their loyalty and continue to grow together. In finance, for instance, growing together means that the more financially literate people are, the more they are able to create and accumulate wealth. Then they can buy, share, or invest – this creates conditions in the marketplace in which a business can succeed. Again, this is nothing new, it's basically common sense in any business.

### So ESG also encourages companies to see things in a wider perspective?

No business exists in a vacuum – you're always part of a bigger whole. ESG is actually a way to communicate how you as a company want to participate in the development of the society around you. Unless you are a complete cynic who couldn't care less about the world around you – and I believe there are very few people like that – simply accumulating wealth can't make you happy.

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#### Jean-Pascal Duveusart

Jean-Pascal is a member of the PPF Executive Management. He has been a shareholder of PPF Group N.V. since 2010, having been a senior partner at McKinsey and Company previously. Born in 1966, he graduated from the Catholic University of Louvain and holds an MBA from the University of Chicago.

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#### Andrew MacDowall

is a London-based economic journalist and consultant who writes for the Financial Times, The Guardian, Politico Europe, and The Banker.

Our mission and purpose is to build and develop good and successful businesses and, because we've been doing this for so long, we've learnt to look at it in a broader context. If you want a business that is going to be sustainable in the long run, it has to be in harmony with the world around you and the people it affects. A business thrives when you can run it in a stable environment, on markets where there is healthy competition. Similarly, employees need to know that you are fair, that they will be treated equally, and that your values align, because without that you won't attract the best people.

### But isn't there a danger of ESG becoming just another burden on companies, with no real benefit?

This is a fundamental question. Generally speaking, regulations are meant to be enforceable in a way that is not simply a burden on companies, because otherwise they might start thinking about how to circumvent those rules. There is a real risk that non-financial reporting will become a formality, an empty gesture. We regularly hear about greenwashing, by which I mean deliberately false or misleading information about sustainability. This isn't helped by the fact that the current landscape of regulations, standards and constant changes to ESG directives is labyrinthine. Therefore, you need to focus not only on the formal requirements, but on what is actually important, what is etched into your company's day-to-day operations and thinking: what you really do and how you do it. That's where change happens, not in reports. Ultimately, it is the behaviour and actions of each employee and their attitude at work that will best show how much such commitments are real and not just performative.

If you do ESG properly and communicate it appropriately – which are two different things – this opens up genuine opportunities. I am convinced that applying the principles of sustainability induces growth. Remember, your approach to business and to the world around you is now integral to the value of the goods and services you are offering.

### What is PPF's approach to ESG?

It's a responsibility, but also essential for our business – our banks and certain companies will be required to publish their reports in the near future, and ESG will also affect factors such as our credit rating, financing, and other development opportunities. It is important to see that ESG commitments – for example, to reduce



CO<sub>2</sub> production – may necessitate significant investments. These need to have some business logic, so you look for opportunities to leverage them and identify where they will best strengthen your competitiveness. We are already strong in some areas, such as innovation, digitalisation, compliance, and CSR programmes. Elsewhere, we have started to open this agenda up gradually – decarbonisation, renewables, and other areas.

We have dozens of companies engaging in all sorts of business on three continents, so we need to be able to be flexible and accommodate numerous specificities. We take a core, coordinated approach with common Group objectives

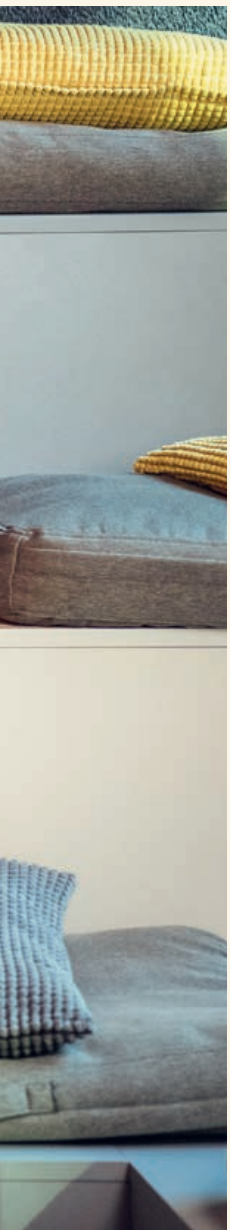
and priorities. This determines our main course of action. PPF companies define their own sub-strategies, their own measurable indicators, derived from the Group strategy and informed by their own considerations. This forms a basis for monitoring and reporting on what impact and outcomes their efforts have had. Such an umbrella approach is practised by many similar large holding companies around the world.

There are many ESG considerations, and it is impossible to satisfy all of them in equal measure. The world's top companies are not trying to embrace all the world's problems in their ESG strategies; they are increasingly focusing on fewer things and concentrating

their efforts. If they do it well, you can see clear logic and consistency: they can make a real impact because they link their approach to what they do as a business – this is the real core of ESG and CSR strategy. That's why PPF Group companies, in, for example, their charitable activities, have long focused on the issues they understand, where they have experience, and where their involvement and contribution make the most sense.

**Give me an example of how to implement such an approach.**

Home Credit, which I run, is a great example. Home Credit's first Sustainability Report was a milestone for the Group last year. What is Home Credit?



It is a high-profile player in lending, providing financial services which are fair and inclusive. Social responsibility in the provision of credit means responsible lending – and responsible lending underpins good risk management. Sustainability and business, again, are complementary.

But more specifically: imagine living without a bank account or credit – in some parts of the world these are not available to all, yet people on low incomes need a motorbike to get to work, a phone to do their job or to manage their finances and the family and health agenda, and small businesses need cash temporarily so they can get the necessary supplies. Many of our clients had never had a bank account before crossing paths with Home Credit. We want to accommodate these people, and we make financial inclusion a reality for millions of people every year. The whole point of the financial inclusion we are advocating is to give people access to financial services that they can afford and understand, and that allow them to build a future. That's why we invest heavily in digital technology and the customer experience. Millions more come to our website to watch videos or find information about responsible lending, personal or family budgeting, and financial planning. This sets us apart – it is not common for companies to do this.

For me, though, this is just the bare minimum. Natural disasters have a significant impact on millions of lives in the markets in which we do business. At Home Credit, sustainability also includes material support schemes, such as the provision of medical supplies, loan moratorium programmes, the waiving of interest or penalties, and deferred payment schemes. It may cost us money, but it's the right thing to do because it shows that you share the same values as your customers and their communities, and that you value a long-term relationship with them.

### **What about how your company's approach to the environment?**

Environmental issues are relevant to all our businesses. I have already mentioned digitalisation, decarbonisation, and so on. But there is more. PPF companies in the mobility sector, for example, can have quite a profound impact on the environment and quality of life. Indeed, this is their core mission. There are densely populated areas around the world that are still developing, but they cannot continue their current trends in pollution and private transport. For further growth, they need clean, sustainable solutions – trams, buses, commuter trains. All these can be powered not only by emission-free fuels that harness renewable resources. More importantly, these modes of transport are much more efficiently managed by interconnecting with each other and communicating with other smart urban infrastructure. Our Škoda Group is already a technologically advanced player in this respect and is testing pilot solutions in real urban conditions.

As for our real estate investments, the focus is on sustainable urban planning based on cooperation with local government and communities. A good example of this is the gradual improvement of the area in Prague's Vysočany district where our leisure and conference development is located. We are building energy-efficient, LEED-certified buildings with low impact on the environment and that are designed to allow people to find a balance in leading healthy private and professional lives. Otherwise, we would be unable to succeed in the market.

### **We are talking not long after Russia invaded Ukraine.**

What is happening in Ukraine is a huge tragedy. It goes far beyond the scope and depth of thinking about our approach to business, about sustainability. First and foremost, we need to help

as best we can. PPF and The Kellner Family Foundation responded quickly to the humanitarian crisis by making a significant financial donation to support the education of refugee children in the Czech Republic. In one of the first pilot programmes under this initiative, we worked with the education ministry to publish over a quarter of a million textbooks, dictionaries and other teaching materials in Ukrainian and distribute them free of charge to schools, community organisations and refugees themselves in less than 10 weeks. Other charitable projects are being implemented by individual PPF companies. We will continue our schemes to help Ukrainians because this is consistent with our values and our commitment to provide targeted, meaningful, and long-term assistance where it is needed.

### **How deeply does sustainability reflect your personal values and thinking in your everyday life?**

I have five children, and when the eldest ones became teenagers they started saying things to me like "I'm not going to do this because it's not good for the environment". It made me think and I found a very simple logic in that line of reasoning: it's right and proper to start with yourself. I can start with the small steps that can be taken immediately. I don't buy takeaway coffee any more. Those cups with the lids. No, thank you. I take public transportation. When I came to Prague, they offered me a car and driver. I refused. And whenever I go out, I throw any litter I come across in the bin. You should try it too – and it's even more effective if you go up to someone who is throwing rubbish on the ground and say, "Hello, I'll just throw this in the bin for you". If everyone on the planet did that, billions of pieces of litter would be collected every day. It's not a big deal, but it will make our lives better.

# Sustainability within PPF Group

PPF Group companies are dedicated to cultivating sustainable business and relationships with their customers, partners, investors, employees, communities, and the public sector.

Increasingly, Group companies are adopting formal specific commitments and actions based on international standards and regulations, agreements, and priorities shared under the ESG agenda, as well as PPF's forthcoming overarching approach to sustainability. PPF's emerging Group-wide ESG strategy will set out common guiding

principles, priorities, and objectives for all the Group's lines of business and companies across its international portfolio. This common Group strategy will form the basis for coordinated ESG strategies and targets, with measurable outcomes, that are specific to each of the Group's companies.

## Selected activities in 2021

### Home Credit

In November 2021, the international Home Credit Group published its first Sustainability and ESG Report. The report, covering all the markets in which Home Credit operates, addresses key sustainability and ESG agendas: the responsible provision of financial services and corporate governance, relationships with employees and customers, environmental protection, and community support. Home Credit is guided by its own ESG Strategy, which has tracked 146 indicators in 13 areas since 2021. Aspects of the responsible provision of financial services form major part of Home Credit's overall business strategy. At the heart of this sustainable approach is

the Group's Customer Charter, which advocates consumer rights, measures to prevent customer over-indebtedness, and wide-ranging international engagement to promote financial literacy and inclusion. Home Credit's ESG approach also embeds the development of socially inclusive practices in three main areas: education (particularly financial literacy), poverty reduction, and direct community outreach.

Sustainability and ESG also play an evolving role in business and in relationships with business partners. In the Philippines, for example, Home Credit is working with Deutsche Bank on a sustainable credit facility that factors in ESG performance indicators. Home

Credit's approach to the communities and its employees has also strengthened the bond between the teams and the brand: in 2021, more than 80 per cent of the company's employees said that, in retrospect, given the choice of where to work, they would opt for Home Credit again. ESG and sustainability are also a core part of the Home Credit brand across the Group and its businesses around the world.



"Green filming" of the VOYO-produced King of Sumava series



Home Credit ESG Report



## CME

CME Media Group is the first Central and Eastern European company to join the ranks of the world's leading television and film corporations by becoming a member of albert, an industry-wide international organisation that promotes environmental sustainability in the television and film industry, being initiated by the British Academy of Film and Television Arts. In 2021, CME Group's TV Nova partnered with the Audiovisual Producers Association to publish the Green Filmmaking Manual, which promotes sustainable audiovisual production in the Czech Republic.



[wearealbert.org](http://wearealbert.org)

## Heureka

In 2021, Heureka worked with partners that included the Corporate Social Responsibility Association to launch the Sustainable E-shop project. Under this programme, which promotes factors such as zero waste packaging, local supply chains, and waste recycling, the thousands of European e-shops that use Heureka's services are motivated to reduce the strain they place on the environment. Sustainable E-shop certification is conditional on a range of criteria that e-shops are required to declare with verifiable evidence. In this way, Heureka helps customers to consider the retailer's approach to sustainability in their purchasing decisions.



[udrzitelnyeshop.cz](http://udrzitelnyeshop.cz)

## PPF Telecom Group

During 2021, the international PPF Telecom Group took steps to define its ESG strategy. A common approach to sustainability will align its retail and infrastructure arms: O2 in the Czech Republic and Slovakia, Yettel (formerly Telenor) in Hungary, Bulgaria, and Serbia, and the telecoms infrastructure provider CETIN in the Czech Republic, Hungary, Bulgaria and Serbia.

PPF Telecom Group's robust approach is represented, for example, by O2 Czech Republic's Responsible Business Strategy with a strong focus on transparency, trustworthiness, the fair treatment of employees, and support for social issues, in particular the development of children's digital skills and the modernisation of the Czech education system.

### PPF Telecom Group's ESG strategy key focus areas

- Renewable energy sources and carbon footprint reduction
- Cybersecurity and personal data protection
- Technologies for sustainability
- Networks building
- Product management and customer satisfaction
- Responsibility towards employees
- Business continuity and crisis management
- Corporate governance, ethical business, compliance



O2 Business Principles

