ANNUAL REPORT

2016

PROFI CREDIT Slovakia, s.r.o.

Selected indicators of PROFI CREDIT Slovakia, s.r.o.

Loans Provided (Production)	**2016**	**2015**	**2014**
Number of loans provided	9 905	21 799	28 485
Nominal value of loans provided (in EUR thous.)	40 180	61 218	78 234
Disbursed in total (in EUR thous.)	21 067	25 178	31 083
Retail Loans– share in total production	54%	81 %	83 %
Business Loans– share in total production	46%	19%	17 %
Human Resources			
Number of external credit advisors	247	370	505
Number of external collection staff	91	124	129
Number of employees	90	118	119
Financial Indicators (in EUR thous.)			
Total assets	98 520	131 560	142 658
Total revenues	35 904	41 123	56 016
Total costs	43 331	40 706	54 878
Profit/Loss before taxation	(7 428)	417	1 138
Income tax**	3	153	355
Profit/Loss after taxation	(7 431)	264	784

* the nominal value of a loan provided includes the disbursed amount and the future interest income

** deferred payable

CONTENT

1. THE PROFIREAL GROUP

PROFIREAL Group is a multinational financial group actively operating on financial markets of Central and Eastern Europe. It ranks among significant providers of credits and loans in the Czech Republic, Slovakia, Poland, Bulgaria and Russia. PROFIREAL Group consists of two divisions. Companies of the PROFI CREDIT division operate in the world of financial credit and loans, and those of the PROFI INVESTMENT division are engaged in the development of new investment projects.

The parent company of the Group is PROFIREAL Group SE, having its registered office in the Netherlands. The Group has concerned itself with the providing of financial loans and credits since as early as 2000, when it launched the said project in the Czech Republic and Slovakia.

Over the period of pursuing its business activities, the PROFI CREDIT division has provided more than 1,203,000 loans and credits, including revolving loans. The division occupies its strongest position in the Czech Republic. Of the overall volume of loans and credits provided, the share in the Czech Republic stands at 38%. Currently, the most profitable division is the one in Poland.

The companies of the PROFI CREDIT division continued with a high volume of credit and loans provided in 2016, and the final amount represented 97% of last year's figures. This result was supported by an increase in production of PROFI CREDIT Czech by almost 12% and a repeat of last year's successful results of PROFI CREDIT Polska. In addition, the nominal value of loans and credits provided in 2016 by the PROFI CREDIT division exceeded the EUR 322 million mark.

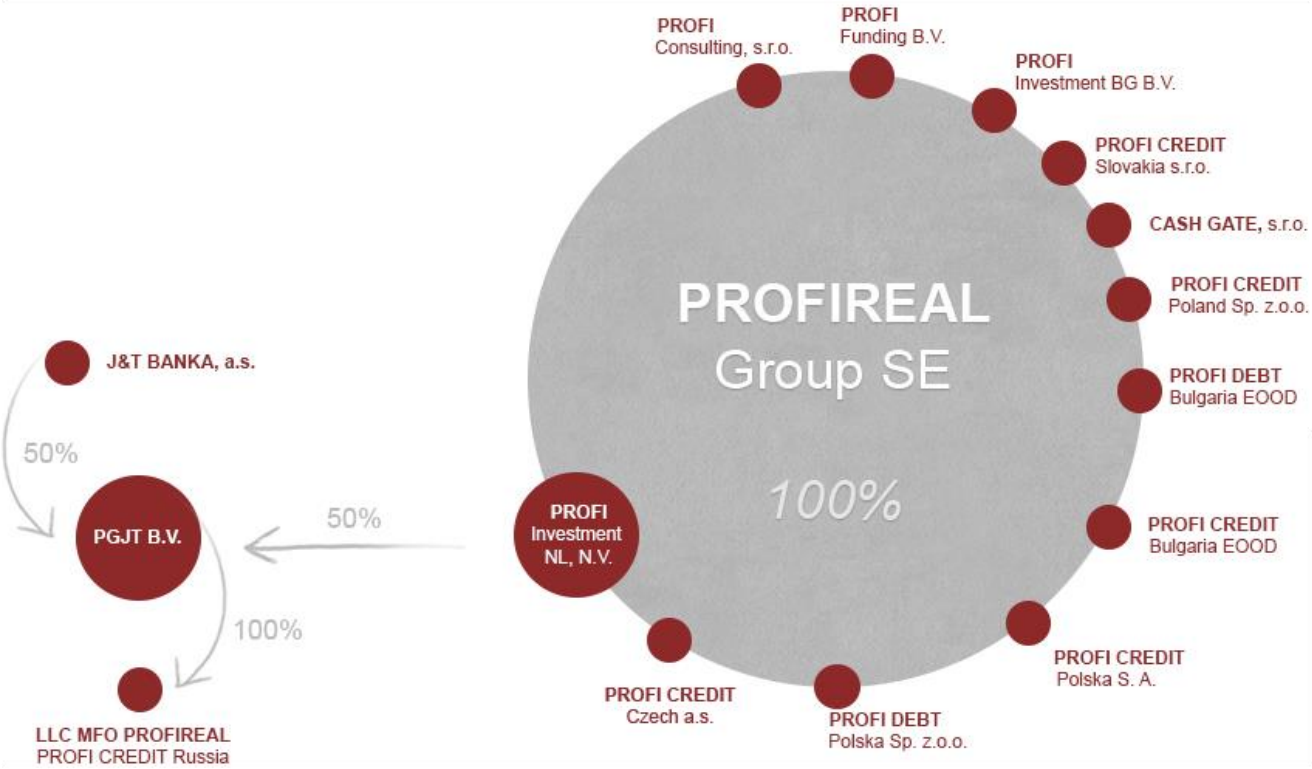
The priority of the companies of the PROFIREAL Group remains maintaining the quality of its client portfolio. The Group continues to respond to the economic situation in the individual countries in which it is active on an operative basis and to adapt its business, in particular its risk management, to the current situation and legislation changes.

PROFIREAL Group focuses on the countries of Central and Eastern Europe

The objective of the newly established PROFI INVESTMENT division is to support business activities. The main activity of PROFI INVESTMENT consists in identifying investment opportunities and interesting projects with an international overlap and also with local ambitions. Not only does the Company invest its capital in projects that have operated on the market for some time, are well established and which need a partner to provide a strong source of capital for their further development, but it also offers capital participation to new, emerging projects.

The aim of the PROFIREAL Group is to develop current activities and continually adapt them to the economic situation in individual countries. Particular emphasis is placed on quality risk management, optimising all processes within individual companies of the Group, cost savings and maintaining shares in the market segment.

PROFIREAL Group Structure



Status, as of 31.12.2016

2. EXECUTIVE DIRECTOR'S INTRODUCTORY SPEECH

Dear business partners and fellow co-workers,

Another year has passed and we celebrate our 16th anniversary of doing business in the Slovak financial market. I'm honoured to address you again and inform you how successful we were in 2016.

This year was really challenging and I have to say that the most difficult year of our existence. A successive series of strict legislative measures for consumer protection in the consumer financing segment adopted by law makers, culminating by an extensive legislation at the end of December 2015 that have already had a real impact on the economic and financial results of the company, forced us, in 2016, to make fundamental changes in our business activities and apply crisis management of the company.

The aim was to put forward and apply in the practice relevant personnel, marketing, business, recovery and financial measures that should lead to a reduction in costs and, at the same time, modifications to products that should meet strict legislative criteria and conform to the supervisory requirements of the regulator (the National Bank of Slovakia), but they proved that they would not disappear from the financial market and would still be attractive to some customers. A strict control and the management commensurate to the level of risk and profitability have also been taken for granted.

For us, the year 2016 was a kind of vision of our future, our direction and provided an answer to the question whether we are able to achieve, in the financial market and under the existing strict conditions, the desired results with acceptable economic and monetary indicators.

At the beginning of that year, during the crisis management of the company, we restructured the business management network, as well as the employees at the headquarters, as part of the personnel policy, in order to eliminate the economic impact of legislative measures in the area of consumer financing. Constant personnel stabilization of employees and the business sales network was the top priority during that year, and we have achieved it.

In February, we entered the market with a modified portfolio of loans and borrowings for entrepreneurs and businesses and in May, we started to provide loans with loan protection insurance to the clients from the consumer financing segment. Despite the restricted access to financing for central marketing and support, our modified product range gradually gained its share in the financial market and showed that we have chosen the right path. However, we were not able to attract more creditworthy clients. Within the proportional risk management, we have gradually implemented the new risk and fraud management rules in the practice. Despite every effort made in that complicated and challenging crisis situation, we failed to meet our business objectives in full.

However, I take a positive view of the fact that the application of strict legislative criteria in the consumer segment while examining the creditworthiness of the clients and their ability to pay back loans started to bear fruits and the failure ratio of our clients to repay loans has been declining, comparing to the historical data, and currently we achieve the best results within the whole group.
During the whole period of the existence in the Slovak financial market, the company PROFI CREDIT Slovakia, s.r.o., has reached the nominal value of the loans in the amount of more than EUR 602 million .

Since the financial market is changing quite dramatically, in 2016 the banking sector also began to enter the consumer finance segment and, at the same time, during that year some other new companies obtained the so-called licences and become our new competitors, but on the contrary, some large companies with a long history disappeared from the Slovak financial market. In the second half of 2016 we started to attract new clients through collaboration with various partner companies.

Despite the fact that the targets set for 2016 were not easy and we have not managed to meet all of them in full, we have proven that we are able to exist in the Slovak financial market, even under very challenging personnel, business, economic and monetary conditions, and we have become one of the stable non-bank licensed entities and a trustworthy partner and a provider of consumer and business loans in Slovakia.

We are aware that only by moving forward and by constant adaptation to modern tendencies, technologies and requirements, we can realise our ambitions and other objectives, and therefore, at the beginning of 2017 we will start working on a new strategic business vision for the years ahead.

In conclusion, let me express my enormous thanks to all of you for your patience, for overcoming obstacles, for your confidence that you believed in us even though we have taken unpopular measures, for your support and efforts made, for your work and results achieved. In 2017 I also wish you, as well as your relatives and families, every success in your personal and professional lives, good health, happiness, and I also wish you that everything you do in your lives makes you happy.

Yours faithfully,

Ing. Miroslav Jurenka

Chief Executive Officer and Executive Manager

3. CHARACTERISTICS OF PROFI CREDIT SLOVAKIA, S.R.O.

3.1. COMPANY AUTHORITIES

Mr. Chour graduated from the Faculty of Economics and Administration at the University of Pardubice. He has been working for the company PROFI CREDIT Czech since 2000 while he was still studying at the university, beginning his career as a Financial Analyst. In 2001, Mr. Chour became the Head of Collection Department and, subsequently, the Economic Manager of the company. Since July 2001, he has been the member of the Board of PROFI CREDIT Czech. In the financial association of Profireal Group, he holds the position of Chief Executive Officer since 2003 and the position of Chairman of the board of the Group since 2007. In December 2015, he became Executive Manager of PROFI CREDIT Slovakia.

Ing. David Chour
Executive Manager

After graduating from the Vocational High School, Mr. Lörincz started working for an international advertising agency. During his time at this company, he had worked for a large number of clients and actively participated on building the company image through various international and local brands. He gained further professional marketing experience during his time abroad. He has been working at PROFI CREDIT Slovakia, s.r.o. since July 2008 as the Head of Marketing Department. Since 2012, he has also been the company's Executive Manager.

Richard Lörincz
Executive Manager

Mr. Jurenka graduated from the Military Technical College in Liptovský Mikuláš with majors in communication and IT systems. His work experience was later connected with military service where he held various expertise and management posts in the fields he studied. After his military career, he worked in the private and public sector for three years. In 2006, he joined PROFI CREDIT Slovakia, s.r.o. as a Development Manager. Currently, he holds the position of CEO. Since 2010, he has also been acting as an Executive Manager of PROFI CREDIT Slovakia.

Ing. Miroslav Jurenka

CEO and Executive Manager

After completing studies at the J. K. Tyl Grammar School in Hradec Králové, he graduated from the Agronomy Faculty at the Czech Agricultural University in Prague in 1995 and afterwards, in 1998, from the Operations and Economy Faculty. He has worked at various managerial positions during his career, primarily in the fields such as logistics, purchase, and human resources management. In January 2007, he took up the post of the Collection Manager in Profidebt; he was in charge of all the sections of Collection Departments. In 2013, Mr. Oborník became a member of the Board of Directors of PROFI CREDIT Slovakia.

Ing. Aleš Oborník

Executive Manager

Members of Management of PROFI CREDIT Slovakia, s.r.o.

Ing. Marcel Mešter – Head of Financial Department

Mgr. Maroš Komadel – Head of Risk Department

Pavol Antálek – Head of Sales Department

Mgr. Martin Koštial – Head of IT Department

Richard Lörincz – Head of Marketing Department

Bc. Veronika Šustrová – Head of Operations Department

Jana Hricová – Head of Collections Department

Ing. Stanislav Krupčík – Head of Internal Control Department

Status as of 31 December, 2016

3.2. COMPANY PROFILE

PROFI CREDIT Slovakia, s.r.o. was founded in 2000, when it was registered in the Commercial Register under its original name PROFIREAL SLOVAKIA spol. s r. o. The business name was changed in the middle of February 2008. The company was founded for the purpose of conducting business in the field of providing loans to clients.

As a guarantee of the quality, on 9.9.2015, the company acquired the permission by the National Bank of Slovakia that allows PROFI CREDIT Slovakia, s.r.o. to provide services in the field of providing loans to clients.

The company has adopted the knowledge and know-how from its parent company Profireal, a.s, adjusting it for the Slovak conditions on the market. First loans to natural persons were provided at the end of 2000.

The company's activities were successfully developed during the first year of its operation, especially thanks to a strong demand on the Slovak market, poor availability of banking products, and especially due to the unique terms under which the loans were provided by the company. Last but not least, the work of sales network has also contributed to this; first regional directorates were established and seated in three largest cities, corresponding to the initial division of the Slovak Republic into three regions.

During the first year of its operation on the market, the company acquired 10,000 clients. In 2002, system changes leading to the overall stabilization during the year 2003 were adopted. Business results improved, which was supported by the year-over-year production growth of 23%. This increase in production was also because of the introduction of loans for natural persons with a payment term period longer than 2 years – specifically those with 30 and 36 months. In 2003, the company launched new loans for business segment clientele.

The ever-increasing number of rival companies in 2004 and 2005 resulted in the introduction of new products. The first of these was the Compensation Loan, later followed by the Bonus Loan, Benefit Loan, and Loan 6000. The expansion of the product portfolio manifested itself in an enlargement of the target client group.

PROFI CREDIT Slovakia, s.r.o. focuses on clients who prefer personal approach. It sells its products via a network of external co-workers – credit advisors. Quality throughout the business network ensures the success of the entire Company. The clients have currently over 280 credit advisors at their disposal within the Slovak Republic who choose the most suitable product together with the credit applicant.

3.3. PRODUCT OFFER

PROFI CREDIT Slovakia, s.r.o. has been providing loans to its clients since 2000. From that moment on, the product portfolio has been gradually changing and developing. Among our basic products are Consumer Loan – designed for employees and pensioners, Loans Business Start, Business Start+, Business Reward, Business Reward+, and Business Home – designed for entrepreneurs and provided since 1 April, 2012. In all cases, the funds are transferred to the client's account and the loan is repaid in the same way.

Because of the legislative changes and the introduction of the obligation to obtain loan authorization - due to the change of conditions for licensing non-banking companies in 2015, - the Consumer loan underwent several changes. The entrance into the non-banking credit register (NRKI) had improved the assessment of the client's ability to repay the loan, which had a positive impact on the quality of the client portfolio now and will continue to do so even in the upcoming years. At the end of 2015, there was a significant reduction of prices in the Consumer loan characteristics.

The Consumer Loan belongs to the company primary products. This product is designed for natural persons who are employed and with a regular income. It is also intended for retirees who receive pension (retirement age-, disability-, or early retirement- pension). It is a non-cash loan repaid by the client by regular monthly instalments. This loan is provided for the purpose specified by the client himself, or as a non-specified one. The Consumer Loan is still the only one that can be mediated through an online application which is processed with higher priority. Furthermore, there is an option of providing a foreign loan to someone in the Czech Republic or Hungary. In October 2011, we extended the options to Austria and Germany for clients who have permanent residence in Slovakia but travel to their work to the above-mentioned countries where they have a permanent employment. From 16.6.2016, the clients have the opportunity to apply for additional insurance for their loan to cover unexpected situations; such as death, permanent disability, or inability to work - thus further reducing the risk of their ability to repay the loan.

Business Start is a product suitable for newly-established entrepreneurs (individuals and legal entities) over the age of 18 who submit tax returns in Slovakia, work for more than 6 months, and their gross annual income is at least EUR 5 000. This loan can be drawn from EUR 100 to EUR 1 000 with a tenor of 3 to 12 months.

Business Start+ is also suitable for newly-established entrepreneurs (natural and legal persons) older than 26 years who also submit tax returns in Slovakia, work for more than 6 months, and whose gross annual income is at least EUR 5 000. This loan can be drawn from EUR 100 to EUR 1 500 with the same tenor of 3 to 12 months.

Business reward is a product intended for entrepreneurs (natural and legal persons) over 23 years of age who submit a tax return in Slovakia, work for more than 12 months, and their gross annual income is at least EUR 5 000. We provide these loans in the ranges of EUR 1 000 – EUR 4 000, with a payment period of 12 to 48 months.

Business Reward+ is a product designed for entrepreneurs (natural and legal persons) older than 26 who submit a tax return in Slovakia. The condition is that the gross annual income is at least EUR 18 000 and the duration of their business must be at least 24 months. We provide this credit in the range of EUR 1 000 - EUR 6 000, with the same tenor as for the Business reward above.

Business home is a product designed for entrepreneurs (natural and legal persons) older than 23 years who submit a tax return in Slovakia and work more than 12 months. This product requires real estate insurance, so the annual turnovers as well as the maximum amount of the monthly instalment are assessed individually. The scope of the funds provided ranges from 10 000 to 33 000 EUR, with possible tenors of 24 to 60 months.

All requested applications are analysed on individual basis and free of charge. The repayment is either in the form of regular monthly instalments using a standing order from a bank account, through direct money deposits onto the account, or via payroll deductions.

Products of 2017

PROFI CREDIT Slovakia, s.r.o. is planning to extend its line with new products in both "Retail" and "Business" segment in 2017. When developing new products, we take into the account our customers' needs so that our products are able to fully satisfy the current market needs and meet the demanding requirements of our customers.

In the short-term, the company intends to launch onto the market a product offering loan repayment ability with the possibility of insurance even for the current Business product portfolio.

3.4 BUSINESS RESULTS

In 2016, PROFI CREDIT Slovakia, s.r.o. provided loans and credits in an aggregate amount of approximately EUR 40,2 million.

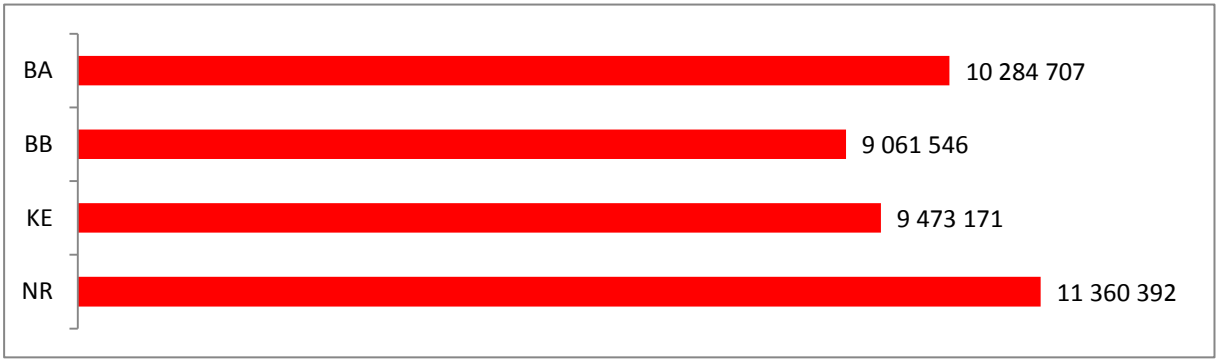
During this year, the company provided loans to a total of 9 905 clients. The most frequently provided product was the Consumer Loan, representing more than a half - 54,24% - of the overall product portfolio.

In 2016, the Nitra region, which operates in the self-governing regions of Trenčín and Nitra, became the most successful one with the total production amounting to EUR 11,36 million. Ranked second was the Bratislava region operating in the self-governing regions of Trnava and Bratislava with the total production representing EUR 10,28 million. PROFI CREDIT Slovakia, s.r.o. also operates in the other two regions. In the Košice region (self-governing regions of Prešov and Košice), a total production of EUR 9,47 million was reached; and in the Banská Bystrica region (self-governing regions of Žilina and Banská Bystrica), there was a production of EUR 9,06 million in total.

November 2016 was a record-breaking month in which PROFI CREDIT Slovakia, s.r.o. provided loans, including revolving credit facilities, in a total amount of EUR 4,52 million.

During the whole time that PROFI CREDIT Slovakia, s.r.o. has been operating on Slovakia's financial market, the nominal value of loans provided has reached a total of EUR 541 million and the total historic production, including revolving credit facilities, has exceeded an amount of EUR 602 million.

The total production in 2016 by individual regions in EUR



BA stands for the Bratislava region, BB for the Banská Bystrica region, KE for the Košice region, and NR for the Nitra region.

3.5. BUSINESS FUTURE

The business results achieved in 2016 lowered when compared to the previous year. The reduction of 34% was caused mainly due to legislative changes in the Slovak Republic applied since September 2015.

In 2017, we expect the total production of EUR 60 million. To ensure that our goal is achieved, we intend to re-structuralize the sales network and start a new cooperation with additional external partners – independent credit advisors.

3.6. SALES NETWORK

Having an efficiently functioning network of credit advisors is crucial for the success of the whole company. The products of PROFI CREDIT Slovakia, s.r.o. are offered by way of direct sale through a network of external partners – bound financial agents - which considerably enhances their availability and promptness. An efficiently and properly functioning network of credit advisors who personally present the company and its products to the clients is essential for the success of the whole company.

We give a great importance to the development and quality of the sales network which has been gradually built since 2000. To this end, there are ongoing processes aimed at increasing the efficiency of the sales network and its training processes. In 2016, we realized four Mystery shopping waves where we focused on checking the quality of services provided through our credit advisors. We intend to continue carrying out such activities in 2017, with additional Mystery shopping waves that are being planned.

The client's first contact with the products offered by our company is mediated through the network of credit advisors who choose a loan option that suits the needs and possibilities of a client the most and, subsequently, the advisors prepare all the documents for the clients that are necessary for a loan to be disbursed.

Credit advisors cooperate with PROFI CREDIT Slovakia, s.r.o. on the basis of Financial Intermediation Agreement. The commission for intermediated loans represents a major motivator for them. PROFI CREDIT's commission system, which has been modified along with the product

portfolio, is rather generous. Despite the modifications, PROFI CREDIT Slovakia preserves the uniqueness of the commission system, and its credit advisors remain the best rewarded in the field of providing non-banking loans.

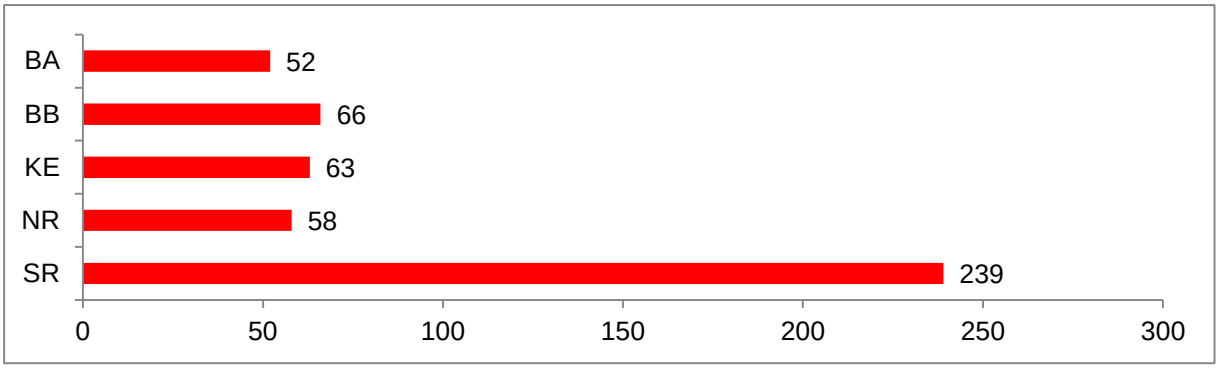
Structure of the sales network

In 2016, there were 239 credit advisors working for PROFI CREDIT Slovakia, s.r.o. The company's sales network is divided into four regions – Bratislava, Nitra, Banská Bystrica, and Košice - which have been set up with a view to ensure the optimum availability of clients, credit advisors, and with regard to their mutual competitiveness.

Each region has its regional directorate which serves as an administrative base for credit advisors. Regional Directors and Team Managers are responsible for the quality and quantity of production, as well as for the recruitment of new credit advisors in their given region.

Each region consists of small teams - Team Manager Groups. Managers of those groups are involved in the operative management of credit advisors, assessing the plan, the control and evaluation of marketing activities and sales results of their given groups. The company's interest in supporting the sales network is significant, what is shown by both the motivation scheme for the sales network and the cooperation with Sales Trainers in training programs and their guidance. One of the essential elements of the company's incentive system is the new ELITE CLUB. The main idea is to improve and expand the ranks of active workers in the sales and collection network, to increase their satisfaction and motivation, and, subsequently, on a regular basis, to reward them for being the best.

Total number of credit advisors by region



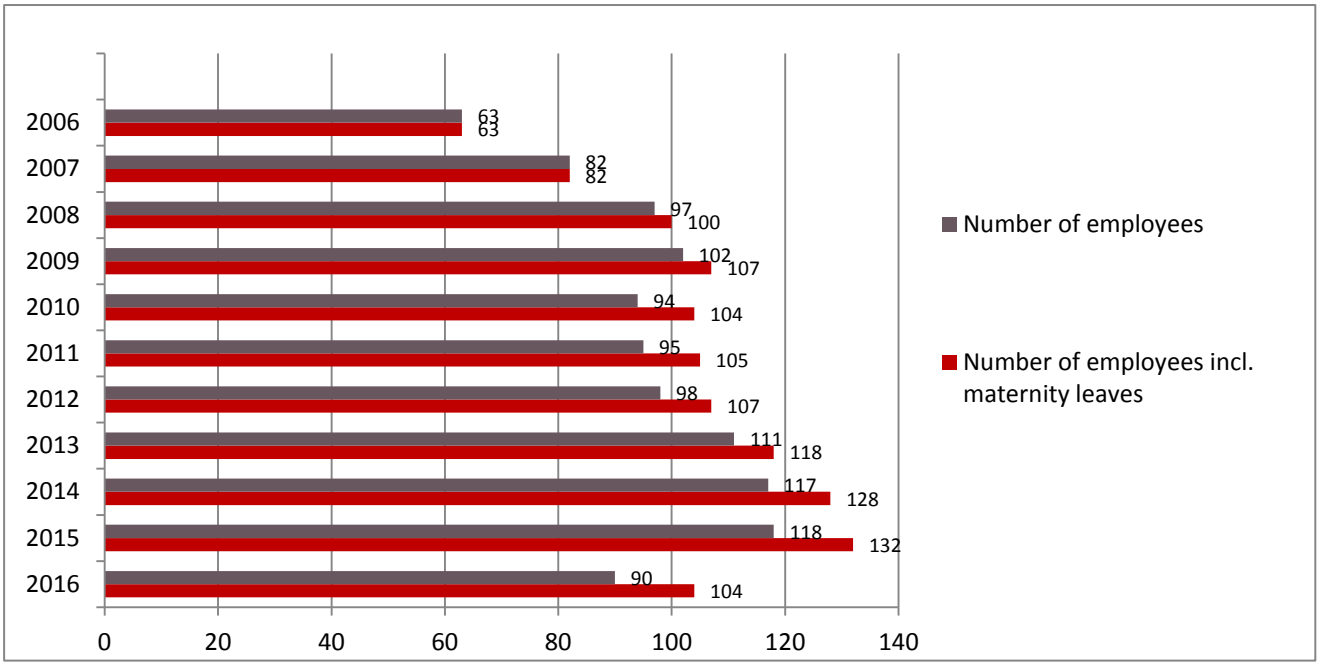
BA stands for the Bratislava region, BB for the Banská Bystrica region, KE for the Košice region, and NR for the Nitra region.

3.7. EMPLOYEES

Human resources are a key pillar for PROFI CREDIT Slovakia, s.r.o.; it is exactly people and their knowledge and skills that determine whether the company is successful or not.

As of 31 December 2016, the company had a total of 104 full-time employees, of whom 11 female employees were on a maternity leave. Out of the total headcount, 58% of all employees are female and 42% are male. We are a young company with an average age of 37 years.

Headcount development between 2006 and 2016



During the year 2016, HR has met the basic aim to be a professional, confident, and indispensable consultant and advisor, a specialist in internal communication and relations, an expert on employment issues, and a guarantor of ethics and non-discriminatory principle.

HR remains one of the key components of the company, whose approach is based on the main goal of HR, to be a real support function unit whose role is to provide comprehensive support in all the areas of HR recruitment and in the selection of its employees through the preparation of legal documents labour, remuneration policies, benefits, measurable employee evaluation, further development, and education for the staff retention.

By applying a systematic approach in those areas, we have made the following achievements:

- HRD has improved its credit at the HQ – via closer contact with the people, problem solutions, and the application of an "open door" strategy;
- building trust and not solving things "on the spot";
- continual enhancement of the level of soft skills of managers;
- making the adaptation process systematic - employee care during the adaptation period.

In 2016, we continued to offer benefits for our employees. Such benefits as Sick Days (days off due to illness) or the optional working regime Home Office were available for the employees. On a monthly basis, smaller corporate events were organized in the forms of corporate breakfast, small gifts, picnic in the nature, and various incentive competitions in sense of building the HR brand. We celebrated the pre-Christmas period with our employees by organizing of St. Nicolaus Day at the headquarters of the company.

Training and development

In 2016, we successfully continued with the development of our staff through the internal training system PROFI ACADEMY and JTP (Junior Trainee Program).

3.8. SPONSORSHIP

In 2016, the company PROFI CREDIT Slovakia, s.r.o cooperated with UNICEF to help children around the world.

During this year, the company was a partner of the Association of assistance to the affected by Adeli. The company, in collaboration with APPA, allowed the rehabilitation of selected children patients through the project Credit, to help them form a new beginning. The provided financial support helped to make the rehabilitation and treatment in top Adeli Medical Center more accessible for these paediatric patients.

4. EXECUTIVES' REPORT

This report is submitted the General Meeting by the executives of PROFI CREDIT Slovakia, s.r.o., having its registered office at Pribinova 25, 824 96 Bratislava, Company ID No.: 35 792 752, incorporated in the Companies Register of the Bratislava I District Court, Section Sro, File No. 22160/B. The company's core business in 2016 was the provision of loans and credits using its own capital.

The company's total assets in accounting period in 2016 amounted to EUR 98,520 thousand, compared to EUR 131,560 thousand in 2015. Current assets account for 98,51 % of the total assets, which represents an amount of EUR 97,049 thousand in 2016 and trade receivables amount to EUR 94,664 thousand. Non-current assets account for 0,61 % of the total assets, which represents an amount of EUR 597 thousand.

The company's liabilities amount to EUR 83,099 thousand, of which long-term loans represent EUR 74,399 thousand.

The major share in the company's total revenues, which amounted to EUR 35,904 thousand in 2016, is attributable to financial revenues from contractual fees and adjustments to repayment schedules for loans and credits provided, which amounted to EUR 21,994 thousand, revenues from bonus packages and services in amount EUR 10,878 thousand, default and penalty interest income amounting to EUR 1,995 thousand, revenues from court and legal fees in amount EUR 535 thousand.

In 2016, the expenses amounted to EUR 43,331 thousand; the major cost items are loan interest amounting to EUR 11,998 thousand, provisions made for overdue debts and contractual penalties amounting to EUR 16,649 thousand, the costs of unsuccessful distrain procedures amounting to EUR 132 thousand, and personnel costs amounting to EUR 2,485 thousand.

As of 31 December 2016, the accounting entity recognized a pre-tax loss of EUR – 7,428 thousand. After being adjusted by deductible and non-deductible items, the income tax base amounted to EUR -5,702 thousand for the reporting period. The company's due tax liability for 2016 represents an amount of EUR 2,890.

The accounting loss recognized by the company for 2016 is EUR – 7,431 thousand.

The particular profit/loss items are given in more detail in the enclosed statements:

Balance Sheet

Profit and Loss Statement

Notes to the Financial Statements

Cash Flow Statement

.....
Ing. Miroslav Jurenka
výkonný riaditeľ a konateľ spoločnosti
PROFI CREDIT Slovakia, s. r. o.

.....
Richard Lőrincz
konateľ spoločnosti
PROFI CREDIT Slovakia, s. r. o.

.....
Ing.David Cheur
konateľ spoločnosti
PROFI CREDIT Slovakia, s. r. o.

.....
Aleš Oborník
konateľ spoločnosti
PROFI CREDIT Slovakia, s. r. o.

5. FINAL REPORT OF SUPERVISORY BOARD

The final report of the Supervisory Board of PROFI CREDIT Slovakia, s.r.o. to the General Meeting

At its meeting, the Supervisory Board of PROFI CREDIT Slovakia, s.r.o., discussed the documents submitted by the company executives regarding the company's profit for the financial and taxation period of 2016, namely:

1. Balance Sheet for 2016
2. Executives' report on the company's assets and liabilities, the financial statements for 2016
3. Independent auditor's report on the audited financial statements as of 31 December 2016.

Pursuant to the provision of Section 198 of the Commercial Code, the Supervisory Board shall review the annual financial statements as well as the executives' proposal for the distribution of profits or settlement of losses from previous years and shall submit its comments to the General Meeting.
The annual financial statements of PROFI CREDIT Slovakia, s.r.o., for 2016 had been audited by the audit company Deloitte Audit s.r.o., having its registered office at Einsteinova 23, 851 01 Bratislava.

The company's after-tax loss for 2016 amounts to EUR -7,430,697.

Pursuant to the company's Articles of Association, it is proposed that the loss will be distributed as follows:

- an amount of EUR -7,430,697 shall be carried to the account of accumulated losses from previous years.

The Supervisory Board discussed the financial results for 2016, became familiar with the contents of the auditor's report on the audited financial statements, discussed and reviewed the annual financial statements for 2016 as well as the executives' proposal for distribution of the company's loss for 2016.

It is stated by the Supervisory Board that the financial statements had been prepared on the basis of accounting books and records properly kept, and that the loss distribution is in accordance with legal regulations.

The Supervisory Board recommends that the company's annual financial statements for 2016 and the executives' proposal for distribution of the company's loss for 2016 to be approved by the General Meeting.

Ing. Zdeněk Lhotský
Member of the Supervisory Board of PROFI CREDIT Slovakia, s.r.o.

Ing. Marcel Mešter
Member of the Supervisory Board of PROFI CREDIT Slovakia, s.r.o.

Ing. Marek Štejnar
Member of the Supervisory Board of PROFI CREDIT Slovakia, s.r.o.

6. INDEPENDENT AUDITOR'S REPORT

Deloitte.

Deloitte Audit s.r.o.
Digital Park II, Einsteinova 23
851 01 Bratislava
Slovak Republic

Tel.: +421 2 582 49 111
Fax: +421 2 582 49 222
deloitteSK@deloitteCE.com
www.deloitte.sk

Registered in the Commercial
Register of the District Court Bratislava I
Section Sro, File 4444/B
Id. Nr.: 31 343 414
VAT Id. Nr.: SK2020325516

PROFI CREDIT Slovakia, s.r.o.

INDEPENDENT AUDITOR'S REPORT

To the Partners, Supervisory Board and Executives of PROFI CREDIT Slovakia, s.r.o.:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PROFI CREDIT Slovakia, s.r.o. (the "Company"), which comprise the balance sheet as at 31 December 2016, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2016, and of its financial performance for the year then ended in accordance with the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

We draw attention to Note II.2 to the financial statements stating that as at 31 December 2016, the Company reported negative equity of EUR 26 890 302. The Company's ability to continue as a going concern depends on maintaining adequate financing from third parties and financial support from its parent company. The accompanying financial statements include no adjustments that would have been necessary if the Company were unable to continue as a going concern.

We also draw attention to Note II.12 to the financial statements stating that the Company changed the methodology for the recognition of provisions for assets and deferred tax in 2016.

We draw attention also to Notes II.7, II.10a) and III.2.3 to the accompanying financial statements. The Company records provisions for receivables based on the management estimates of the future recoverability of receivables. Actual results may differ from these estimates and the difference may be material.

Our opinion is not modified in respect of these matters.

Responsibilities of Management

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/sk/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Deloitte provides audit, tax, consulting, transaction advisory and legal services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's approximately 225,000 professionals are committed to making an impact that matters.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting. Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

As at the issuance date of the auditor's report on the audit of financial statements, the annual report was not available to us.

When we obtain the annual report, we will evaluate whether the Company's annual report includes information whose disclosure is required under the Act on Accounting, and based on procedures performed during the audit of the financial statements, we will express an opinion on whether:

- Information disclosed in the annual report prepared for 2016 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, we will disclose whether material misstatements were identified in the annual report based on our understanding of the Company and its position, obtained in the audit of the financial statements.

Bratislava, 10 May 2017

Deloitte Audit s.r.o.
Licence SKAu No. 014

Ing. Peter Longauer, FCCA
Responsible Auditor
Licence UDVA No. 1136

7. FINANCIAL STATEMENTS

UZPODv14_1

Úč POD

FINANCIAL STATEMENTS

of Enterprises in the Double-Entry Bookkeeping System)

Prepared as at 31 . 12 . 2016

Figures are rounded on the right, other data are written from the left. Unfilled lines remain blank.
Data are filled in using block letters (as shown below) by a typewriter or a printer machine in black or dark blue.

Á Ä B Č D É F G H Í J K L M N O P Q R Š T Ú V X Ý Ž 0 1 2 3 4 5 6 7 8 9

Tax Registration Number	Financial Statements	Reporting Entity		Month	Year
2 0 2 1 5 0 9 2 7 0	[X] Ordinary	[ ] Small	For the Period	From 0 1	2 0 1 6
Identification No.				To 1 2	2 0 1 6
3 5 7 9 2 7 5 2	[ ] Extraordinary	[X] Large	Immediately-Preceding Period	From 0 1	2 0 1 5
SK NACE	Interim	(Mark with X)		To 1 2	2 0 1 5
6 4 . 9 2 . 0					

Accompanying Parts of Finacial Statements

x Balance Sheet (Úč POD 1-01) *(in whole Euros)*
x Income Statement (Úč POD 2-01) *(in whole Euros)*
x Notes (Úč POD 3-01) *(in whole Euros)*

Business Name (Name) of the Reporting Entity

P R O F I C R E D I T S l o v a k i a , s . r . o .

Seat of the Reporting Entity

Street: P r i b i n o v a
Number: 2 5
Postal Code: 8 2 4 9 6
Municipality: B r a t i s l a v a
Commercial Register and Number of Entry of the Company: O k r e s n ý s ú d B r a t i s l a v a I , o d d S r o , v l . č . 2 2 1 6 0 / B
Phone Number: /
Fax Number: /
E-mail Address:

Prepared on:	Approved on:	Signature of a Member of the Statutory Body of the Reporting Entity or a Natural Person Acting as a Reporting Entity:
0 7 . 0 2 . 2 0 1 7	. . 2 0 1 7	

Records of the Tax Authority

Place for Registration Number

Presentation Stamp of the Tax Authority

MF SR č. 18009/2014

Page 1

PROFI CREDIT Slovakia, s.r.o., DIČ: 2021509270
Balance Sheet as at 31. December 2016

Description	ASSETS	Line	Current Reporting Period			Immediately Preceding Reporting Period
a	b	c	Gross 1 (part 1) (EUR)	Correction 1 (part 2) (EUR)	Net 2 (EUR)	Net 3 (EUR)
	Total assets (l. 02 + l. 33 + l. 74)	**01**	**180 311 176**	**81 790 927**	**98 520 249**	**131 559 708**
A.	**Non-current assets (l. 03 + l. 11 + l. 21)**	**02**	**1 941 448**	**1 344 829**	**596 619**	**911 692**
A.I.	**Total non-current intangible assets (l. 04 to l. 10)**	**03**	**476 271**	**352 946**	**123 325**	**156 398**
A.I.1.	Capitalised development costs (012) - /072, 091A/	04	-	-	-	-
A.I.2.	Software (013) - /073, 091A/	05	229 801	209 243	20 558	6 354
A.I.3.	Valuable rights (014) - /074, 091A/	06	16 680	10 624	6 056	9 692
A.I.4.	Goodwill (015) - /075, 091A/	07	-	-	-	-
A.I.5.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	08	229 790	133 079	96 711	79 009
A.I.6.	Non-current intangible assets in acquisition (041) - 093	09				61 343
A.I.7.	Advance payments for non-current intangible assets (051) - /095A/	10	-	-	-	-
A.II.	**Total non-current tangible assets (l. 012 tol. 020)**	**11**	**1 465 177**	**991 883**	**473 294**	**755 294**
A.II.1.	Land (031) - 092A	12	-	-	-	-
A.II.2.	Structures (021) - /081, 092A/	13	-	-	-	-
A.II.3.	Separate movable assets and sets of movables (022) - /082, 092A/	14	1 461 899	991 883	470 016	646 738
A.II.4.	Perennial crops (025) - /085, 092A/	15	-	-	-	-
A.II.5.	Livestock and draught animals (026) - /086, 092A/	16	-	-	-	-
A.II.6.	Other non-current tangible assets (029, 02X, 032) - /089, 08X, 092A/	17	-	-	-	-
A.II.7.	Non-current tangible assets in acquisition (042) - 094	18	3 278	-	3 278	108 556
A.II.8.	Advance payments for non-current tangible assets (052) - /095A/	19	-	-	-	-
A.II.9.	Correction item to acquired assets (+/- 097) +/- 098	20	-	-	-	-
A.III.	**Total non-current financial assets (l. 22 to l. 32)**	**21**	**-**	**-**	**-**	**-**
A.III.1.	Shares and ownership interests in group companies (061A, 062A, 063A) - /096A/	22	-	-	-	-
A.III.2.	Shares and ownership interests with a participating interest except for group companies (062A) - /096A/	23	-	-	-	-
A.III.3.	Other held-for-sale securities and ownership interests (063A) - /096A/	24	-	-	-	-
A.III.4.	Loans to group companies (066A) - /096A/	25	-	-	-	-
A.III.5.	Loans within a participating interest except to group companies (066A) - /096A/	26	-	-	-	-
A.III.6.	Other loans (067A) - /096A/	27	-	-	-	-
A.III.7.	Debt securities and other non-current financial assets (065A, 069A, 06XA) - /096A/	28	-	-	-	-
A.III.8.	Loans and other non-current financial assets with remaining maturity of up to one year (066A, 067A, 069A, 06XA) - /096A/	29	-	-	-	-
A.III.9.	Bank accounts bound for period exceeding one year (22XA)	30	-	-	-	-
A.III.10.	Non-current financial assets in acquisition (043) - /096A/	31	-	-	-	-
A.III.11.	Advance payments for non-current financial assets (053) - /095A/	32	-	-	-	-

PROFI CREDIT Slovakia, s.r.o., DIČ: 2021509270
Balance Sheet as at 31. December 2016

Description	ASSETS	Line	Current Reporting Period			Immediately Preceding Reporting Period
a	b	c	Gross 1 (part 1) (EUR)	Correction 1 (part 2) (EUR)	Net 2 (EUR)	Net 3 (EUR)
B.	**Current assets (l. 34 + l. 41 + l. 53 + l. 66 + l. 71)**	**33**	**177 495 400**	**80 446 098**	**97 049 302**	**129 591 628**
B.I.	**Total inventory (l. 35 to l. 40)**	**34**	**-**	**-**	**-**	**-**
B.I.1.	Raw materials (112, 119, 11X) - /191, 19X/	35	-	-	-	-
B.I.2.	Work-in-progress and semi-finished goods (121, 122, 12X) - /192, 193, 19X/	36	-	-	-	-
B.I.3.	Finished goods (123) - 194	37	-	-	-	-
B.I.4.	Livestock (124) - 195	38	-	-	-	-
B.I.5.	Merchandise (132, 133, 13X, 139) - /196, 19X/	39	-	-	-	-
B.I.6.	Advance payments for inventory (314A) - /391A/	40	-	-	-	-
B.II.	**Total non-current receivables (l. 42 + l. 46 to l. 52)**	**41**	**37 982 981**	**2 836 362**	**36 146 619**	**60 174 163**
B.II.1.	Total trade receivables (l. 43 to l. 45)	42	37 982 981	2 836 362	36 146 619	54 733 108
B.II.1.a.	Trade receivables from group companies (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	43	-	-	-	-
B.II.1.b.	Trade receivables within a participating interest except for receivables from group companies (311A,312A,313A, 314A, 315A, 31XA) - /391A/	44	-	-	-	-
B.II.1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	45	37 982 981	2 836 362	36 146 619	54 733 108
B.II.2.	Net contract value (316A)	46	-	-	-	-
B.II.3.	Other receivables from group companies (351A) - /391A/	47	-	-	-	-
B.II.4.	Other receivables within a participating interest except for receivables from group companies (351A) - /391A/	48	-	-	-	-
B.II.5.	Receivables from partners, members and participants in an association (354A, 355A, 358A, 35XA) - /391A/	49	-	-	-	-
		50	-	-	-	-
		51	-	-	-	-
B.II.8	Deferred tax asset (481A)	52	-	-	-	5 441 055
B.III.	**Total current receivables (l. 54 + l. 58 to l. 65)**	**53**	**138 637 417**	**77 609 736**	**61 027 681**	**68 410 953**
B.III.1.	Total trade receivables (l. 55 to l. 57)	54	137 114 335	77 597 319	59 517 016	68 385 721
B.III.1.a.	Trade receivables from group companies (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	55	20 223	-	20 223	23 092
B.III.1.b.	Trade receivables within a participating interest except for receivables from group companies (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	56	-	-	-	-
B.III.1.c.	Other trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - /391A/	57	137 094 112	77 597 319	59 496 793	68 362 629
B.III.2.	Net contract value (316A)	58	-	-	-	-
B.III.3.	Other receivables from group companies (351A) - /391A/	59	-	-	-	-
B.III.4.	Other receivables within a participating interest except for receivables from group companies (351A) - /391A/	60	-	-	-	-
B.III.5.	Receivables from partners, members and participants in an association (354A, 355A, 358A, 35XA, 398A) - /391A/	61	-	-	-	-
B.III.6.	Social security insurance (336A) - /391A/	62	-	-	-	-

PROFI CREDIT Slovakia, s.r.o., DIČ: 2021509270
Balance Sheet as at 31. December 2016

Description	ASSETS	Line	Current Reporting Period		Immediately Preceding Reporting Period	
a	b	c	Gross 1 (part 1) (EUR)	Correction 1 (part 2) (EUR)	Net 2 (EUR)	Net 3 (EUR)
B.III.7.	Tax assets and subsidies /341, 342, 343, 345, 346, 347) - /391A/	63	1 478 632	-	1 478 632	-
B.III.8.	Receivables from derivative transactions (373A, 376A)	64	-	-	-	-
B.III.9.	Other receivables (335A, 33XA, 371A, 374A, 375A, 378A) - /391A/	65	44 450	12 417	32 033	25 232
B.IV.	**Total current financial assets (l. 67 to l. 70)**	**66**	**-**	**-**	**-**	**-**
B.IV.1.	Current financial assets in group companies (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	67	-	-	-	-
B.IV.2.	Current financial assets excluding current financial assets in group companies (251A, 253A, 256A, 257A, 25XA) - /291A, 29XA/	68	-	-	-	-
B.IV.3.	Treasury stock and treasury shares (252)	69	-	-	-	-
B.IV.4.	Current financial assets in acquisition (259, 314A) - /291A/	70	-	-	-	-
B.V.	**Financial accounts l. 72 + l. 73**	**71**	**875 002**	**-**	**875 002**	**1 006 512**
B.V.1.	Cash on hand (211, 213, 21X)	72	9 960	-	9 960	12 932
B.V.2.	Bank accounts (221A, 22X, +/- 261)	73	865 042	-	865 042	993 580
C.	**Total accruals and deferrals (l. 75 to l. 78)**	**74**	**874 328**		**874 328**	**1 056 388**
C.1.	Non-current deferred expenses (381A, 382A)	75	587 354	-	587 354	780 000
C.2.	Current deferred expenses (381A, 382A)	76	286 809	-	286 809	276 388
C.3.	Non-current accrued income (385A)	77	-	-	-	-
C.4.	Current accrued income (385A)	78	165	-	165	-

PROFI CREDIT Slovakia, s.r.o., DIČ: 2021509270
Balance Sheet as at 31. December 2016

Description	EQUITY AND LIABILITIES	Line	Current Reporting Period	Immediately Preceding Reporting Period
a	b	c	5	6
			(EUR)	(EUR)
	TOTAL EQUITY AND LIABILITIES l. 80 + l. 101 + l. 141	**79**	**98 520 249**	**131 559 708**
A.	**Equity l. 80 + l. 85 + l. 86 + l. 87 + l. 90 + l. 93 + l. 97 + l. 100**	**80**	**(26 890 302)**	**(8 420 230)**
A.I.	**Total registered capital (l. 82 to l. 84)**	**81**	**500 000**	**500 000**
A.I.1.	Registered capital (411 or +/- 491)	82	500 000	500 000
A.I.2.	Changes in the registered capital +/- 419	83	-	-
A.I.3.	Receivables for subscribed capital (/-/353)	84	-	-
A.II.	**Share premium (412)**	**85**	**-**	**-**
A.III.	**Other capital funds (413)**	**86**	**-**	**-**
A.IV.	**Legal reserve funds l. 88 + l. 89**	**87**	**50 000**	**50 000**
A.IV.1.	Legal reserve fund and non-distributable fund (417A, 418, 421A, 422)	88	50 000	50 000
A.IV.2.	Reserve fund for treasury stock and treasury shares (417A, 421A)	89	-	-
A.V.	**Other funds from profit l. 91 + l. 92**	**90**	**-**	**-**
A.V.1.	Statutory funds (427, 42X)	91	-	-
A.V.2.	Other funds (427, 42X)	92	-	-
A.VI.	**Total revaluation reserves (l. 94 to l. 96)**	**93**	**-**	**-**
A.VI.1.	Asset and liability revaluation reserve (+/- 414)	94	-	-
A.VI.2.	Financial investments revaluation reserve (+/- 415)	95	-	-
A.VI.3.	Revaluation reserve from fusions, mergers and separations (+/- 416)	96	-	-
A.VII.	**Profit/loss from previous years l. 98 + l. 99**	**97**	**(20 009 605)**	**(9 234 657)**
A.VII.1.	Retained earnings from previous years (428)	98	-	-
A.VII.2.	Accumulated losses from previous years (/-/429)	99	(20 009 605)	(9 234 657)
A.VIII.	**Profit/loss for the current reporting period after taxation /+-/ l. 01 - (l. 81 + l. 85 + l. 86 + l. 87 + l. 90 + l. 93 + l. 97 + l. 101 + l. 141)**	**100**	**(7 430 697)**	**264 427**
B.	**Liabilities l. 102 + l. 118 + l. 121 + l. 122 + l. 136 + l. 139 + l. 140**	**101**	**83 097 898**	**79 619 254**
B.I.	**Total non-current liabilities (l. 103 + l. 107 to l. 117)**	**102**	**74 398 760**	**66 833 551**
B.I.1.	Total long-term trade payables (l. 104 to l. 106)	103	-	-
B.I.1.a.	Trade payables to group companies (321A, 475A, 476A)	104	-	-
B.I.1.b.	Trade payables within a participating interest except for payables to group companies (321A, 475A, 476A)	105	-	-
B.I.1.c.	Other trade payables (321A, 475A, 476A)	106	-	-
B.I.2.	Net contract value (316A)	107	-	-
B.I.3.	Other payables to group companies (471A, 47XA)	108	-	-
B.I.4.	Other payables within a participating interest except for payables to group companies (471A, 47XA)	109	-	-
B.I.5.	Other long-term payables (479A, 47XA)	110	74 398 760	66 833 551
B.I.6.	Long-term advance payments received (475A)	111	-	-

PROFI CREDIT Slovakia, s.r.o., DIČ: 2021509270
Balance Sheet as at 31. December 2016

Description	EQUITY AND LIABILITIES	Line	Current Reporting Period	Immediately Preceding Reporting Period
a	b	c	5	6
			(EUR)	(EUR)
B.I.7.	Long-term bills of exchange to be paid (478A)	112	-	-
B.I.8.	Bonds issued (473A/-/255A)	113	-	-
B.I.9.	Social fund payables (472)	114	-	-
B.I.10.	Other non-current payables (336A, 372A, 474A, 47XA)	115	-	-
B.I.11.	Long-term payables from derivative transactions (373A, 377A)	116	-	-
B.I.12\.	Deferred tax liability (481A)	117	-	-
B.II.	**Long-term provisions for liabilities l. 119 + l. 120**	**118**	**-**	**126 188**
B.II.1.	Legal provisions for liabilities (451A)	119	-	-
B.II.2.	Other provisions for liabilities (459A, 45XA)	120	-	126 188
B.III.	**Long-term bank loans (461A, 46XA)**	**121**	**-**	**-**
B.IV.	**Total current liabilities (l. 123 + l. 127 to l. 135)**	**122**	**8 176 573**	**12 398 262**
B.IV.1.	Total trade payables (l. 124 to l. 126)	123	2 432 901	2 744 165
B.IV.1.a.	Trade payables to group companies (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	124	35 342	42 455
B.IV.1.b.	Trade payables within a participating interest except for payables to group companies (321A, 322A, 324A, 325A, 32XA, 475A, 476A, 478A, 47XA)	125	-	-
B.IV.1.c.	Other trade payables (321A, 322A, 324A, 325A, 326A, 32XA, 475A, 476A, 478A, 47XA)	126	2 397 559	2 701 710
B.IV.2.	Net contract value (316A)	127	-	-
B.IV.3.	Other payables to group companies (361A, 36XA, 471A, 47XA)	128	-	-
B.IV.4.	Other payables within a participating interest except for payables to group companies (361A, 36XA, 471A, 47XA)	129	-	-
B.IV.5.	Payables to partners and participants in an association (364, 365, 366, 367, 368, 398A, 478A, 479A)	130	-	-
B.IV.6.	Payables to employees (331, 333, 33X, 479A)	131	145 654	143 806
B.IV.7.	Social security insurance payables (336A)	132	77 803	92 155
B.IV.8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	133	58 305	551 187
B.IV.9.	Payables from derivative transactions (373A, 377A)	134	-	-
B.IV.10.	Other payables (372A, 379A, 474A, 475A, 479A, 47XA)	135	5 461 910	8 866 949
B.V.	**Short-term provisions for liabilities l. 137 + l. 138**	**136**	**522 565**	**261 253**
B.V.1.	Legal provisions for liabilities (323A, 451A)	137	99 339	87 475
B.V.2.	Other provisions for liabilities (323A, 32X, 459A, 45XA)	138	423 226	173 778
B.VI.	**Current bank loans (221A, 231, 232, 23X, 461A, 46XA)**	**139**	**-**	**-**
B.VII.	**Short-term financial assistance (241, 249, 24X, 473A, /-/255A)**	**140**	**-**	**-**
C.	**Total accruals and deferrals (l. 142 to l. 145)**	**141**	**42 312 653**	**60 360 684**
C.1.	**Non-current accrued expenses (383A)**	**142**	**-**	**-**
C.2.	**Current accrued expenses (383A)**	**143**	**1 032 247**	**866 834**
C.3.	**Non-current deferred income (384A)**	**144**	**18 606 378**	**29 287 440**
C.4.	**Current deferred income (384A)**	**145**	**22 674 028**	**30 206 410**

PROFI CREDIT Slovakia, s.r.o., DIČ: 2021509270
Income Statement for the year ended 31. December 2016

Description	ITEM	Line	Actual	
			Current Reporting Period	Immediately Preceding Reporting Period
a	b	c	4	5
			(EUR)	(EUR)
*	**Net turnover (a portion of Accounting Class 6 under the Act)**	**01**	**35 309 126**	**40 619 579**
**	**Total operating revenues (l. 03 to l. 09)**	**02**	**3 031 852**	**2 818 429**
I.	Revenues from the sale of merchandise (604, 607)	03	-	-
II.	Revenues from the sale of own products (601)	04	-	-
III.	Revenues from the sale of services (602, 606)	05	442 678	435 332
IV.	Changes in inventories (+/- Accounting Group 61)	06	-	-
V.	Own work capitalised (Accounting Group 62)	07	-	-
VI.	Revenues from the sale of non-current intangible assets, non-current tangible assets and raw materials (641, 642)	08	59 760	72 510
VII.	Other operating revenues (644, 645, 646, 648, 655, 657)	09	2 529 414	2 310 587
**	**Total operating expenses (l. 11 + l. 12 + l. 13 + l. 14 + l. 15 + l. 20 + l. 21 + l. 24 + l. 25 + l. 26)**	**10**	**28 588 635**	**26 484 630**
A.	Costs of the acquisition of merchandise sold (504, 507)	11	-	-
B.	Consumed raw materials, energy and other non-inventory supplies (501, 502, 503)	12	255 195	383 662
C.	Provisions for inventories (+/-) (505)	13	-	-
D.	Services (Accounting Group 51)	14	8 490 624	10 381 449
E.	**Total personnel expenses (l. 16 to l. 19)**	**15**	**2 484 487**	**2 830 775**
E.1.	Wages and salaries (521, 522)	16	1 799 617	2 061 778
E.2.	Remuneration of members of company bodies and co-operative (523)	17	25 153	20 864
E.3.	Social insurance expenses (524, 525, 526)	18	606 318	678 013
E.4.	Social expenses (527, 528)	19	53 399	70 120
F.	Taxes and fees (Accounting Group 53)	20	5 735	7 339
G.	**Amortisation and depreciation, and provisions for non-current intangible and non-current tangible assets (l. 22 + l. 23)**	**21**	**305 530**	**217 911**
G.1.	Amortisation and depreciation of non-current intangible and non-current tangible assets (551)	22	305 530	217 911
G.2.	Provisions for non-current intangible and non-current tangible assets (+/-) (553)	23	-	-
H.	Net book value of non-current assets and raw materials sold (541, 542)	24	42 852	-
I.	Provisions for receivables (+/-) (547)	25	16 649 343	11 947 346
J.	Other operating expenses (543, 544, 545, 546,548, 549, 555, 557)	26	354 869	716 148
***	**Operating profit or loss (+/-) (l. 02 - l. 10)**	**27**	**(25 556 783)**	**(23 666 201)**
*	**Added value (l. 03 + l. 04 + l. 05 + l. 06 + l. 07) - (l. 11 + l. 12 + l. 13 + l. 14)**	**28**	**(8 303 141)**	**(10 329 779)**

PROFI CREDIT Slovakia, s.r.o., DIČ: 2021509270
Income Statement for the year ended 31. December 2016

Description	ITEM	Line	Actual	
			Current Reporting Period	Immediately Preceding Reporting Period
a	b	c	4	5
			(EUR)	(EUR)
**	**Total revenues from financing activities (l. 30 + l. 31 + l. 35 + l. 39 + l. 42 + l. 43 + l. 44)**	**29**	**32 871 764**	**38 304 366**
VIII.	Revenues from the sale of securities and ownership interests (661)	30	-	-
IX.	Total revenues from non-current financial assets (l. 32 to l. 34)	31	-	-
IX.1.	Revenues from securities and ownership interests from group companies (665A)	32	-	-
IX.2.	Revenues from securities and ownership interests within a participating interest except for revenues from group companies (665A)	33	-	-
IX.3.	Other revenues from securities and ownership interests (665A)	34	-	-
X.	**Total revenues from current financial assets (l. 36 to l. 38)**	**35**	**-**	**-**
X.1.	Revenues from current financial assets from group companies (666A)	36	-	-
X.2.	Revenues from current financial assets within a participating interest except for revenues from group companies (666A)	37	-	-
X.3.	Other revenues from current financial assets (666A)	38	-	-
XI.	**Interest income (l. 40 + l. 41)**	**39**	**62**	**102**
XI.1.	Interest income from group companies (662A)	40	-	-
XI.2.	Other interest income (662A)	41	62	102
XII.	Foreign exchange gains (663)	42	105	1 315
XIII.	Gains on revaluation of securities and revenues from derivative transactions (664, 667)	43	-	-
XIV.	Other revenues from financing activities (668)	44	32 871 597	38 302 949
**	**Total costs of financing activities (l. 46 + l. 47 + l. 48 + l. 49 + l. 52 + l. 52 + l. 53 + l. 54)**	**45**	**14 742 788**	**14 221 092**
K.	Securities and ownership interests sold (561)	46	-	-
L.	Expenses related to current financial assets (566)	47	-	-
M.	Provisions for financial assets (+/-) (565)	48	-	-
N.	**Interest expense (l. 50 + l. 51)**	**49**	**11 997 520**	**11 487 024**
N.1.	Interest expense for group companies (562A)	50	-	-
N.2.	Other interest expense (562A)	51	11 997 520	11 487 024
O.	Foreign exchange losses (563)	52	3 472	17 715
P.	Expenses for revaluation of securities and expenses related to derivative transactions (564, 567)	53	-	-
Q.	Other costs of financing activities (568, 569)	54	2 741 796	2 716 353
***	**Profit/loss from financing activities (+/-) (l. 29 - l. 45)**	**55**	**18 128 976**	**24 083 274**
****	**Profit/loss for the reporting period before taxation (+/-) (l. 27 + l. 55)**	**56**	**(7 427 807)**	**417 073**
R.	**Income tax (l. 58 + l. 59)**	**57**	**2 890**	**152 646**
R.1.	Current income tax (591, 595)	58	2 890	1 481 578
R.2.	Deferred income tax (+/-) (592)	59	-	(1 328 932)
S.	Profit/loss of partnership transferred to partners (+/- 596)	60	-	-
****	**Profit/loss for the reporting period after taxation (+/-) (l. 56 - l. 57 - l. 60)**	**61**	**(7 430 697)**	**264 427**

Note:

The notes include information stipulated by the regulations relating to the content of the notes to the separate financial statements, for which the reporting entity has the content. All data and information disclosed in these notes arise from the bookkeeping and are linked to the separate financial statements. Value figures are in whole euros unless stipulated otherwise.

I. GENERAL INFORMATION

1. Company Details

Business name and seat	PROFI CREDIT Slovakia, s.r.o. Pribinova 25 824 96 Bratislava 26
Date of establishment	22 May 2000
Date of incorporation (according to the Commercial Register)	24 July 2000
Business activities	– Factoring and forfaiting; – Non-banking provision of loans and borrowings from own funds; – Mediation and organizational activities in trade; – Training activities; – Economic and organizational advisory services; – Accounting advisory services; – Lease of motor vehicles, machines, equipment, IT, office equipment; and – Lease of real estate lease connected with supplementary services – procurement services related to the lease.

2. Employees

Item	*2016*	*2015*
Full-time equivalent	86	118
Number of employees as at the reporting date	90	118
Of which: managers	*9*	*9*

3. Unlimited Guarantee

PROFI CREDIT Slovakia, s.r.o. (hereinafter also the "Company") is not an unlimited liability partner in any other reporting entities.

4. Basis of Preparation for the Financial Statements

These financial statements represent the annual separate financial statements of PROFI CREDIT Slovakia, s.r.o. The financial statements were prepared for the reporting period from 1 January 2016 to 31 December 2016 in compliance with Slovak legislation, i.e. the Act on Accounting and Accounting Procedures for Businesses.

The financial statements are intended for general use and information; they are not intended for the purposes of any specific user or consideration of any specific transactions. Accordingly, users should not rely exclusively on these financial statements when making decisions.

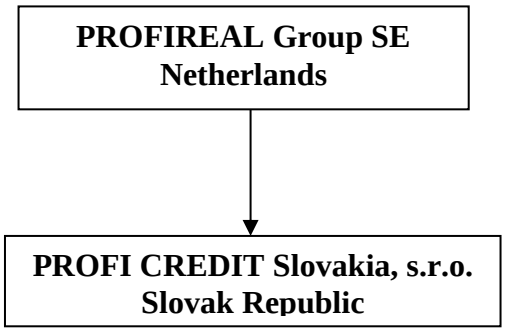
5. Approval of the 2015 Financial Statements

The 2015 financial statements of PROFI CREDIT Slovakia, s.r.o. were approved by the Annual General Meeting held on 15 June 2016.

6. Members of the Company's Bodies

Body	*Function*	*Name*
	Executive – Executive Director	Ing. Miroslav Jurenka
Management	Executive	Aleš Oborník
	Executive	Richard Lörincz
	Executive	Ing. David Chour
Supervisory Board	Member of the Supervisory Board	Ing. Marcel Mešter
	Member of the Supervisory Board	Ing. Marek Štejnar
	Member of the Supervisory Board	Ing. Zdeněk Lhotský

7. Partner and Shareholder Structure and Shares in the Registered Capital



Partners	*Share in Registered Capital*		*Voting Rights %*	*Other Share in Equity Other than in Registered Capital in %*
	EUR	*%*		
PROFIREAL Group SE, Martinus Nijhofflaan 2,2624ES Delft, Netherlands	500 000	100	100	-
Total	**500 000**	**100**	**100**	**-**

PROFI CREDIT Slovakia, s.r.o. is a fellow subsidiary of PROFI CREDIT Czech, a.s. (Czech Republic), PROFI CREDIT Poland, Sp. z.o.o. (Poland), PROFI CREDIT Polska S.A. (Poland), and PROFI CREDIT Bulgaria EOOD (Bulgaria), which are owned by PROFIREAL Group SE (Netherlands).

8. Consolidated Financial Statements

PROFI CREDIT Slovakia, s.r.o. is a subsidiary of PROFIREAL Group SE (seated in Delft, Martinus Nijhofflaan 2, 2624ES Netherlands), which owns a 100% share in the Company's registered capital. PROFIREAL Group SE is the immediate consolidating entity.

PROFIREAL Group SE has a controlling influence and is the parent company with a 100% share in PROFI CREDIT Slovakia, s. r. o.

	Ultimate Parent Company	*Direct Parent Company*
Business name	PROFIREAL Group SE	PROFIREAL Group SE
Seat or place where the consolidated financial statements are filed:	Martinus Nijhofflaan 2, 2624ES Delft, Netherlands	Martinus Nijhofflaan 2, 2624ES Delft, Netherlands

II. ACCOUNTING PRINCIPLES AND METHODS APPLIED

1. The Company applies accounting principles and procedures pursuant to the Act on Accounting and Accounting Procedures for Businesses effective in the Slovak Republic. The accounting books are kept in the monetary units of the Slovak currency, i.e. euros.

2. The 2016 financial statements were prepared based on the going-concern assumption. As at 31 December 2016, the Company reported negative equity of EUR 26 890 302 and negative results of operations from ordinary activities after tax for the year then ended in the amount of EUR 7 430 697. The Company is dependent on financing from non-banking entities that are independent third parties. As at 31 December 2016, the liability arising from financing provided by non-banking entities amounts to EUR 79 570 090. The parent company has declared its commitment in writing to provide the Company with full financial support to maintain adequate liquidity over the next 12 months and to ensure that the Company will be able to continue as a going concern.

3. Revenues and costs are recognised as they are earned or incurred under the accrual basis of accounting. All revenues and costs related to the reporting period are used as a basis regardless of their settlement date.

4. When measuring assets and liabilities, the prudence principle is followed, i.e. all risks, losses, and impairments related to assets and liabilities and known as at the reporting date are used as a basis.

5. Recognition of granted borrowings and the moment of recognition of revenues – the Company accounts for a receivable from a client resulting from a provided loan at the face value of the receivable, including the agreed-upon contractual compensation (interest) against payables to the client in the amount of the actually-paid sum and contractual compensation credited to the account of deferred income. Subsequently, interest on granted borrowings is released into revenues on a linear basis over the contractual term of the borrowing. Once the borrowing is credited to the client's account, the Company's liability to the client ceases to exist. If the client defaults on the repayments, the Company claims contractual fines and penalties, which are included in the Company's revenues upon payment.

6. Non-current and current receivables, payables, loans, and interest-bearing borrowings – receivables and payables are disclosed on the balance sheet as either non-current or current following their residual maturities as at the reporting date. Portions of non-current receivables and portions of non-current payables due within one year from the reporting date are disclosed on the balance sheet as current receivables and current payables, as appropriate.

7. Estimates made – when compiling financial statements, the Company's management is required to prepare estimates and assumptions that influence the recognised amounts of assets and liabilities, and the disclosure of contingent assets and liabilities as at the reporting date, and the disclosed amounts of revenues and expenses during the year. The estimates and the related assumptions have been based on prior experience and on various other factors regarded as appropriate in the circumstances. The actual results may differ from the estimates. The estimates and basic assumptions are re-assessed and the corrections of the accounting estimates are posted in the period in which the estimate was corrected, provided that the correction in question only has an impact on this period, or in the correction period and in the future periods if the correction has an impact on the current as well as future periods.

   The most significant area requiring subjective judgment is the creation of provisions for assets. There are many uncertainties regarding the creation of provisions for losses incurred from granted loans relating to the results of the indicated risks and this requires subjective judgments to be made by the Company's management when estimating losses. The actual losses may significantly differ from the estimates and the difference may be material.

8. Reported tax – Slovak tax legislation is relatively new, lacks precedents, and is subject to continuous amendments. Since various interpretations of tax laws and regulations in the application thereof to various transaction types exist, the amounts disclosed in the financial statements may later change, based on the ultimate opinion of the tax authorities.

9. Recognition of Individual Items of Assets and Liabilities – Initial Measurement

Upon acquisition, the cost principle is applied (i.e. the historical cost convention) and individual items of assets and liabilities are measured as follows:

a) Purchased non-current tangible and intangible assets – at cost. The cost includes the acquisition price and the related incidental costs (transportation costs and customs duties).

b) Assets acquired under finance lease agreements are recognised in assets at their fair value as at the acquisition date (the total of agreed payments less unrealised finance costs). The related liability due to the lessor is recognised on the balance sheet under *Other Long-Term Payables* with its current portion recorded in *Other Payables*. Unrealised finance costs representing the difference between the total amount of agreed payments and the fair value of acquired assets are recognised in the income statement over the term of the lease, applying the effective interest rate method. Costs related to the acquisition of an asset under a finance lease increase its value.

c) Receivables:
   - When originated or acquired for no consideration – at face value.
   - Where acquired (assigned) for consideration or through a contribution to the registered capital – at cost.

   For non-current interest-bearing receivables and non-current interest-bearing borrowings, the provision is included in the *Correction* column where the values of the receivable and loan/borrowing are adjusted to their present value, for example, by using the effective interest rate method.

d) Deferred expenses and accrued income – at the anticipated face value.

e) Payables:
- When incurred – at face value.
- Where assumed – at cost.

f) Provisions for liabilities – at the anticipated amount payable.

g) Interest-bearing borrowings, and loans:
- When originated – at face value.
- Where assumed – at cost.

Interest on interest-bearing borrowings and loans is recorded on an accrual basis.

h) Accrued expenses and deferred income – at the anticipated face value.

i) Current income taxes – pursuant to the Slovak Income Tax Act, current income taxes are determined based on the pre-tax accounting profits at 22% after adjustments for certain items for tax purposes.

j) Deferred income taxes are recognised when temporary differences arise between the carrying amount of assets and liabilities as disclosed on the balance sheet and their tax base, with the possibility of carrying forward tax losses and of transferring the unclaimed tax loss deductions into future periods. To determine the amount of deferred income taxes, the tax rate applicable in the subsequent reporting period was applied, i.e. 21%.

10. Recognition of Individual Items of Assets and Liabilities – Subsequent Measurement

a) Estimated risks, losses, and impairments related to assets and liabilities are reflected in provisions for liabilities, provisions for assets, and depreciation charges.

- Provisions for liabilities are recognised at the anticipated amount payable. The Company creates provisions for audit services, energy consumption, inquiries as regards the clients' ability to repay loans, Elite Trip bonuses, tax advisory services, trademark licence, retail chain incentives, management bonuses, insurance payments related to management bonuses, unused vacation days and insurance payments related to unused vacation days. A major item in provisions for liabilities is a provision for a 35% portion of the commission. The amount of provisions and the grounds for their recognition are assessed as at the reporting date.

- Provisions for assets – are recognised for those receivables where there is a justified assumption of a partial or total default by the debtor. The provision applies to such doubtful receivables from debtors against which litigation for debt acknowledgment is pending, or for non-current receivables overdue. When assessing the recoverability of a receivable, the reporting entity carries out the assessment on a portfolio basis by type of receivable and by delay interval.

  The Company records a provision for receivables in an amount that allows recognition of the estimated fair value of the recoverable receivables.

  The estimates used to calculate provisions for losses from granted loans are reasonable projections of the future development of relevant risks that are available under the given circumstances. The amount of the provisions reflects an adequate amount required to cover losses from the impairment of granted loans.

  The Company categorises its client portfolio by their default term and the provisions for individual categories are based on assumptions on and probabilities of the expected recovery of receivables in the given category.

  The Company records provisions for the following categories of receivables:
  a) Instalments of granted borrowings and loans overdue by more than 360 days at 83.55% of the total amount of receivables in 2016 (2015: 82.87%);
  b) Instalments of granted borrowings and loans overdue by 180 to 360 days at 60.34% of the total amount of receivables in 2016 (2015: 59.99%);
  c) Instalments of granted borrowings and loans overdue by 90 to 180 days at 55.71% of the total amount of receivables in 2016 (2015: 55.58%);
  d) Instalments of granted borrowings and loans overdue by 0 to 90 days at 30.88% of the total amount of receivables in 2016 (2015: 28.68%); and
  e) Instalments of granted borrowings and loans that are within maturity at 14.64% of the total amount of receivables in 2016 (2015: 0.755%).

The percentage of additions to provisions for receivables is calculated annually based on historical experience and takes into account developments in the previous periods.

- Depreciation/Amortisation plan

  Non-current tangible and intangible assets are depreciated/amortised according to a depreciation/amortisation plan that takes into account an estimate of the actual useful lives. Assets are depreciated/amortised over the expected useful lives corresponding to the consumption of future economic benefits arising from such assets. The straight-line accounting depreciation method is applied. Assets start to be depreciated/amortised in the month in which the assets were placed into service. The accounting depreciation plan for tangible and intangible assets is based on the depreciation method as stipulated by the Profireal Group's depreciation policy.

  The average useful lives in the depreciation plan are as follows:

Type of Assets	***Useful Life***	***Annual Depreciation Rate***
Machines and equipment	5 years	20%
Transportation means	5 years	20%
Computers, notebooks, printers, servers	5 years	20%
Air conditioning	10 years	10%
Copy machines	5 years	20%
Other low-value assets	2 years	50%
Fixtures & fittings	5 years	20%
Software	5 years	20%

  Tax depreciation rates are applied in line with the straight-line depreciation rates according to the Income Tax Act.

11. Translation of Amounts Denominated in Foreign Currency to Slovak Currency

Assets and liabilities denominated in a foreign currency are translated to euros using the reference exchange rate determined and announced by the European Central Bank (ECB) or the National Bank of Slovakia (NBS) on the date preceding the transaction date and also on the reporting date. Advances received and made in a foreign currency are not translated as at the reporting date. For foreign currency purchases and sales in euros, and upon the transfer of funds from an account established in a foreign currency to an account established in euros and from an account established in euros to an account established in a foreign currency, the exchange rates at which these amounts were purchased or sold were applied. If the sale or purchase of a foreign currency is performed at an exchange rate other than the one offered by a commercial bank in its foreign exchange list, the exchange rate offered by such a commercial bank in its foreign exchange list on the transaction settlement date is used. If the sale or purchase is not performed with a commercial bank, the reference exchange rate determined and announced by the ECB or the NBS on the date preceding the transaction settlement date is used.

12. Changes in Accounting Principles and Accounting Methods

In 2016, the Company changed the methodology for the provision calculation and recognition of deferred tax.

The change in the provisioning methodology arose from the approximation of the existing methodology for the measurement of receivables to the requirements outlined by *IAS 39 Financial Instruments – Recognition and Measurement*. The new methodology for the provision calculation is based on determining risk parameters from available historical data that are used to derive the probability of impairment, the amount of a loss from defaulted receivables, and the length of a period between the moment when the loss is incurred and identified. The defined parameters were subsequently applied to the outstanding amount of receivables.

As at 1 January 2016, the Company recognised an increase in the provision for receivables of EUR 5 598 321 against equity as an increase in the Accumulated loss from previous years due to a change in the methodology for provision recognition.

As at 1 January 2016, the Company recognised a deferred tax asset totalling EUR 5 441 055 in equity as an increase in the Accumulated loss from previous years due to a change in the recognition method and uncertain utilisation of deductible differences in the future.

DR	***CR***	***Amount***	***Description***
429	481	5 441 055	Adjustment of deferred tax due to a change in the method as at 1 Jan 2016
429	391	5 598 321	Adjustment of provisions for assets due to a change in the methodology as at 1 Jan 2016

III. DATA DISCLOSED ON THE ASSETS SIDE OF THE BALANCE SHEET

1. Non-Current Intangible and Tangible Assets

1.1. Movements on the Accounts of Non-Current Intangible Assets, Accumulated Depreciation, Provisions, and Net Book Value

31 December 2016

	Capitalized Development Cost	*Software*	*Valuable Rights*	*Goodwill*	*Other Non-Current Intangible Assets*	*Non-Current Intangible Assets in Acquisition*	*Advance Payments Made*	*Total*
Initial Measurement								
At 1 Jan 2016	-	211 912	16 680	-	162 992	61 343	-	452 927
Additions	-	-	-	-	-	28 569	-	28 569
Disposals	-	-	-	-	-	5 225	-	5 225
Transfers	-	17 889	-	-	66 798	(84 687)	-	-
At 31 Dec 2016	-	229 801	16 680	-	229 790	-	-	476 271
Accumulated Depreciation								
At 1 Jan 2016	-	205 558	6 988	-	83 983	-	-	296 529
Additions	-	3 685	3 636	-	49 095	-	-	56 417
Disposals	-		-	-	-	-	-	-
At 31 Dec 2016	-	209 243	10 624	-	133 078	-	-	352 946
Provisions								
At 1 Jan 2016	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At 31 Dec 2016	-	-	-	-	-	-	-	-
Net Book Value								
At 1 Jan 2016	-	6 354	9 692	-	79 009	61 343	-	156 398
At 31 Dec 2016	-	20 558	6 056	-	96 712	-	-	123 325

31 December 2015

	Capitalized Development Cost	*Software*	*Valuable Rights*	*Goodwill*	*Other Non-Current Intangible Assets*	*Non-Current Intangible Assets in Acquisition*	*Advance Payments Made*	*Total*
Initial Measurement								
At 1 Jan 2015	-	211 912	16 680	-	80 183	67 084	-	375 859
Additions	-	-	-	-	3 116	79 692	-	82 808
Disposals	-	-	-	-	(5 740)	-	-	(5 740)
Transfers	-	-	-	-	85 433	(85 433)	-	-
At 31 Dec 2015	-	211 912	16 680	-	162 992	61 343	-	452 927
Accumulated Depreciation								
At 1 Jan 2015	-	198 880	3 352	-	49 864	-	-	252 096
Additions	-	6 678	3 636	-	34 119	-	-	44 433
Disposals	-	-	-	-	-	-	-	-
At 31 Dec 2015	-	205 558	6 988	-	83 983	-	-	296 529
Provisions								
At 1 Jan 2015	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
At 31 Dec 2015	-	-	-	-	-	-	-	-
Net Book Value								
At 1 Jan 2015	-	13 032	13 328	-	30 319	67 084	-	123 763
At 31 Dec 2015	-	6 354	9 692	-	79 009	61 343	-	156 398

1.2. Movements in the Accounts of Non-Current Tangible Assets, Accumulated Depreciation, Provisions and Net Book Value

31 December 2016

	Land	*Structures*	*Separate Movable Assets and Sets of Movables*	*Perennial Crops*	*Livestock and Draught Animals*	*Other Non-Current Tangible Assets*	*Non-Current Tangible Assets in Acquisition*	*Advance Payments Made*	*Total*
Initial Measurement									
At 1 Jan 2016	-	-	1 547 111	-	-	-	108 556	-	1 655 667
Additions	-	-	-	-	-	-	6 602	-	6 602
Disposals	-	-	196 416	-	-	-	674	-	197 090
Transfers	-	-	111 204	-	-	-	(111 204)	-	-
At 31 Dec 2016	-	-	1 461 899	-	-	-	3 279	-	1 465 177
Accumulated Depreciation									
At 1 Jan 2016	-	-	900 373	-	-	-	-	-	900 373
Additions	-	-	291 966	-	-	-	-	-	291 966
Disposals	-	-	200 457	-	-	-	-	-	200 457
At 31 Dec 2016	-	-	991 883	-	-	-	-	-	991 883
Provisions									
At 1 Jan 2016	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 Dec 2016	-	-	-	-	-	-	-	-	-
Net Book Value									
At 1 Jan 2016	-	-	646 738	-	-	-	108 556	-	755 294
At 31 Dec 2016	-	-	470 016	-	-	-	3 279	-	473 294

31 December 2015

	Land	*Structures*	*Separate Movable Assets and Sets of Movables*	*Perennial Crops*	*Livestock and Draught Animals*	*Other Non-Current Tangible Assets*	*Non-Current Tangible Assets in Acquisition*	*Advance Payments Made*	*Total*
Initial Measurement									
At 1 Jan 2015	-	-	1 263 527	-	-	-	107 360	-	1 370 887
Additions	-	-	11 281	-	-	-	516 980	-	528 261
Disposals	-	-	(243 481)	-	-	-	-	-	(243 481)
Transfers	-	-	515 784	-	-	-	(515 784)	-	-
At 31 Dec 2015	-	-	1 547 111	-	-	-	108 556	-	1 655 667
Accumulated Depreciation									
At 1 Jan 2015	-	-	954 357	-	-	-	-	-	954 357
Additions	-	-	173 759	-	-	-	-	-	173 759
Disposals	-	-	(227 461)	-	-	-	-	-	(227 461)
At 31 Dec 2015	-	-	900 373	-	-	-	-	-	900 373
Provisions									
At 1 Jan 2015	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
At 31 Dec 2015	-	-	-	-	-	-	-	-	-
Net Book Value									
At 1 Jan 2015	-	-	309 170	-	-	-	107 360	-	416 530
At 31 Dec 2015	-	-	646 738	-	-	-	108 556	-	755 294

1.3. Type and Amount of Insurance of Non-Current Intangible and Tangible Assets

Insured Item	Type of Insurance	Insured Amount (Net Book Value of Insured Assets)		Name and Seat of the Insurance Company
		2016	2015	
Passenger vehicles	Motor hull, MTPL insurance	253 743	407 794	MTPL insurance and motor hull insurance: Generali Slovensko poisťovňa, a.s., Lamačská cesta 3/A 841 04 Bratislava

2. Receivables

2.1 Ageing Structure of Receivables

31 December 2016

Item	Maturity		Total
	Within Maturity	Overdue	
Non-Current Receivables			
Trade receivables	37 982 981	-	37 982 981
Receivables from subsidiaries and the parent company	-	-	-
Other intercompany receivables	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Other receivables	-	-	-
Deferred tax asset	-	-	-
Total Non-Current Receivables	**37 982 981**	**-**	**37 982 981**
Current Receivables			
Trade receivables	40 180 090	96 914 022	137 094 112
Receivables from subsidiaries and the parent company	20 223	-	20 223
Other intercompany receivables	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Social security insurance	-	-	-
Tax assets and subsidies	1 478 632	-	1 478 632
Other receivables	32 033	12 417	44 450
Total Current Receivables	**41 710 978**	**96 926 439**	**138 637 417**

Non-current and current trade receivables comprise the amount of instalments of provided borrowings. The breakdown by maturity constitutes the breakdown by maturity of individual instalments, and instalments within maturity are instalments before the maturity date and overdue instalments are due but unpaid instalments.

31 December 2015

Item	Maturity		Total
	Within Maturity	Overdue	
Non-Current Receivables			
Trade receivables	54 733 108	-	54 733 108
Receivables from subsidiaries and the parent company	-	-	-
Other intercompany receivables	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Other receivables	-	-	-
Deferred tax asset	5 441 055	-	5 441 055
Total Non-Current Receivables	**60 174 163**		**60 174 163**
Current Receivables			
Trade receivables	49 209 833	77 338 813	126 548 646
Receivables from subsidiaries and the parent company	23 092	-	23 092
Other intercompany receivables	-	-	-
Receivables from partners, members and participants in an association	-	-	-
Social security insurance	-	-	-
Tax assets and subsidies	-	-	-
Other receivables	25 232	12 417	37 649
Total Current Receivables	**49 258 157**	**77 351 230**	**126 609 387**

2.2 Receivables by Residual Maturity

Item	*2016*	*2015*
Current Receivables		
Overdue receivables	96 926 439	77 351 230
Receivables with residual maturity of up to 1 year	41 710 978	49 258 157
Total Current Receivables	**138 637 417**	**126 609 387**
Non-Current Receivables		
Receivables with residual maturity of between 1 year and 5 years	37 982 981	60 174 163
Receivables with residual maturity of over 5 years	-	-
Total Non-Current Receivables	**37 982 981**	**60 174 163**

The decrease in receivables in 2016 was associated with a reduction of the Company's business activities and with the impact of legislative changes. The Company provides consumer loans with an average maturity period of 40 months.

2.3 Provision for Receivables

Balance sheet items for which provisions were recorded:

Item	*Balance as at 1 Jan 2016(Adjusted for Impact resulting from Changed Methodology, see Note II.12)*	*Creation*	*Reversal Owing to a Change in Accounting Principles*	*Reversal Owing to the Derecognition of Assets*	*Balance as at 31 Dec 2016*
Trade receivables	63 784 338	16 649 343	-	-	80 433 681
Receivables from subsidiaries and the parent company	-	-	-	-	-
Other intercompany receivables	-	-	-	-	-
Receivables from partners, members and participants in an association	-	-	-	-	-
Other receivables	12 417	-	-	-	12 417
Total	**63 796 755**	**16 649 343**	**-**	**-**	**80 446 098**

The Company creates provisions for receivables based on their ageing structure. The Company's management believes that estimates applied to determining provisions for losses from granted loans represent the most reasonable prognoses for the future development of relevant risks available under the given circumstances. In the management's opinion, the reported sum of provisions is sufficient to cover losses incurred from the impairment of the extended loans. The total amount of provisions for receivables is recognized for a current portion of receivables in balance sheet line 053, as the Company is unable to allocate the created provisions to current and non-current receivables.

Provisions for losses from receivables require that the Company's management make significant estimates; however, the actual results may significantly differ from these estimates.

As at 1 January 2016, the Company recognized an increase in the provision for receivables in the amount of EUR 5 598 321 in equity as an increase in the Accumulated loss from previous years due to a change of the methodology for measurement of receivables.

2.4 Assets Under Lien and Restricted Handling of Receivables

Description of Asset under Lien	2016		2015	
	Value of Asset	Value of the Receivable	Value of Asset	Value of the Receivable
Receivables secured by lien or another form of security	-	-	-	-
Amount of receivables under lien	-	168 426 176	-	200 547 266
Amount of receivables with restricted handling	-	-	-	-

The Company has pledged its receivables in favour of a foreign private company with its seat in the Netherlands, which provided a long-term loan to the Company. Both parties agreed that the present value of the pledged receivables will not drop below 150% of the non-current liability balance.

As at 31 December 2016, the pledged receivables amounted to EUR 130 916 thousand (2015: EUR 129 613 thousand). The pledged receivables are divided into the pledged face value of receivables from clients amounting to EUR 74 091 631 and the pledged receivables owing to penalties imposed on defaulted clients in the amount of EUR 56 824 228. Receivables owing to penalties are recognized in off-balance sheet records and are not recognized as standard trade receivables in balance sheet line 054.

The Company has also pledged its receivables in favour of Dairewa Properties Limited, based in Cyprus, which provided a loan to the Company in 2011. The pledged receivables recorded in the central notary register as at 31 December 2016 amounted to EUR 37 500 thousand (2015: EUR 64 737 thousand).

3. Financial Accounts

Item	2016	2015
Cash		
Cash on hand, stamps and vouchers	9 960	12 932
Bank accounts – current	865 042	993 580
Bank accounts – term deposits	-	-
Cash in transit	-	-
Total	**875 002**	**1 006 512**

4. Accruals and Deferrals

Item	At 31 Dec 2016	At 31 Dec 2015
Non-current deferred expenses	587 354	780 000
Current deferred expenses	286 809	276 388
Non-current accrued income	-	-
Current accrued income	165	-
Total	**874 328**	**1 056 388**

Deferred expenses mainly comprised rent for the Company's regional offices, insurance of the members of the statutory bodies, the proficredit.sk domain and training materials. In 2016, the amount of EUR 585 thousand comprised a fee for the extension of a loan maturity to 2020.

IV. DATA DISCLOSED ON THE LIABILITIES SIDE OF THE BALANCE SHEET

1. Equity

1.1. Description of Equity

The registered capital was paid in full in the amount of EUR 6 639 upon the Company's establishment.

The legal reserve fund in the amount of EUR 50 000 is in the minimum amount in accordance with the Commercial Code.

Non-distributed profit or loss from previous years increased the "Accumulated loss" by EUR 264 427 based on the General Meeting's decision on the distribution of the 2015 profit/(loss).

1.2. Distribution of Profit for 2015

Item	***2015***
Accounting Profit	264 427

Distribution of Accounting Profit	***2016***
Allotment to the legal reserve fund	-
Allotment to statutory and other funds	-
Allotment to the social fund	-
Allotment to increase the registered capital	-
Settlement of a loss from previous years	-
Transfer to accumulated loss from previous years	264 427
Distribution of share in profit to partners, members	-
Other	-
Total	**264 427**

2. Provisions for Liabilities

2.1. Legal and Other Provisions for Liabilities

31 December 2016

Item	***Balance as at 1 Jan 2016***	***Creation***	***Use***	***Cancellation***	***Balance as at 31 Dec 2016***
Long-Term Provisions for Liabilities					
Legal long-term provisions for liabilities	-	-	-	-	-
Other long-term provisions for liabilities	126 188	-	126 188	-	-
Of which:					
Provision for a 35% portion of the commission	*126 188*	*-*	*126 188*	*-*	*-*
Short-Term Provisions for Liabilities					
Legal short-term provisions for liabilities	87 475	99 339	87 475	-	99 339
Of which:					
Unused vacation days, including health and social insurance payments	*87 475*	*99 339*	*87 475*	*-*	*99 339*
Other short-term provisions for liabilities	173 778	423 226	173 778	-	423 226
Of which:					
Unpaid bonuses, including health and social insurance payments	*56 840*	*33 317*	*56 840*	*-*	*33 317*
Provision for a 35% portion of the commission	*22 454*	*145 728*	*22 454*	*-*	*145 728*
Audit and tax advisory	*33 750*	*37 410*	*33 750*	*-*	*37 410*
Other	*60 734*	*206 771*	*60 734*	*-*	*206 771*

The Company created a provision for the future payment of a portion of the commission for credit specialists, namely the payment of 35% of the total commission from the loans provided. The provision was created on the basis of estimated future commission and commission paid in the past to credit specialists. A provision recorded as at 31 December 2016 was related to the commissions paid for loans provided by credit specialists to clients by 2016.

The amount and justifiability of each provision is reassessed as at the reporting date. Short-term provisions for liabilities will be used in 2017.

31 December 2015

Item	Balance as at 1 Jan 2015	Creation	Use	Cancellation	Balance as at 31 Dec 2015
Long-Term Provisions for Liabilities					
Legal long-term provisions for liabilities	-	-	-	-	-
Other long-term provisions for liabilities	120 655	126 188	120 655	-	126 188
Of which:					
Provision for a 35% portion of the commission	*120 655*	*126 188*	*120 655*	-	*126 188*
Short-Term Provisions for Liabilities					
Legal short-term provisions for liabilities	148 649	87 475	148 649	-	87 475
Of which:					
Unused vacation days, including health and social insurance payments	*106 362*	*87 475*	*106 362*	-	*87 475*
Audit and tax advisory services	*36 487*	-	*36 487*	-	-
Other	*5 800*	-	*5 800*	-	-
Other short-term provisions for liabilities	299 878	173 778	299 878	-	173 778
Of which:					
Unpaid bonuses, including health and social insurance payments	*122 941*	*56 840*	*122 941*	-	*56 840*
Provision for a 35% portion of the commission	*50 441*	*22 454*	*50 441*	-	*22 454*
Audit and tax advisory	-	*33 750*	-	-	*33 750*
Other	*126 496*	*60 734*	*126 496*	-	*60 734*

3. Liabilities

3.1. Payables Within and After Maturity Including the Group and Breakdown of Payables by Residual Maturity

Item	Total as at 31 Dec 2016	Total as at 31 Dec 2015
Non-Current Liabilities:		
Liabilities with residual maturity of between 1 and 5 years	74 398 760	66 833 551
Liabilities with residual maturity of over 5 years	-	-
Total non-current liabilities	**74 398 760**	**66 833 551**
Current Liabilities:		
Overdue liabilities	-	-
Liabilities with residual maturity of up to 1 year inclusive	8 176 573	12 398 262
Total current liabilities	**8 176 573**	**12 398 262**

3.2. Deferred Tax Liability/Deferred Tax Asset

Item	2016	2015
Temporary differences between the carrying amount of assets and the tax base:		
Tax-deductible	*37 074 601*	*24 278 689*
Taxable	*43 569*	*33 638*
Temporary differences between the carrying amount of liabilities and the tax base:		
Tax-deductible	*518 702*	*320 490*
Taxable	-	-
Possibility of carrying forward tax loss	-	166 526
Possibility of transferring unclaimed tax deductions	-	-
Income tax rate (in %)	21%	22%
Deferred tax asset	-	5 441 055
Claimed tax asset:		
Recognised as a decrease in costs	-	-
Recognised in equity	-	-
Deferred tax liability	-	-
Change in a deferred tax liability:		
Recognised as an expense/(revenue)	-	*(1 328 932)*
Recognised in equity	*(5 441 055)*	*(1 760 100)*

As at 1 January 2016, the Company recognised a deferred tax asset totalling EUR 5 441 055 in equity as an increase in the Accumulated loss from previous years owing to a change in the estimated utilisation of deductible differences in the future; this uncertainty already existed in the previous reporting period and has increased as a result of a changed methodology for the provision calculation.

3.3. Social Fund Payables

	2016	2015
Initial balance	-	811
Creation of social fund debited to costs	11 866	39 675
Creation of social fund from profit	-	-
Other creations in the social fund	-	-
Total creation of the social fund	11 866	40 486
Drawing from the social fund	11 866	40 486
Closing Balance	-	-

4. Accruals and Deferrals

Item	31 Dec 2016	31 Dec 2015
Non-current accrued expenses	-	-
Current accrued expenses	1 032 247	866 834
Non-current deferred income	18 606 378	29 287 440
Current deferred income	22 674 028	30 206 410
Total	**42 312 653**	**60 360 684**

Deferred income comprises deferred revenues from granted loans for the term of the loan agreement. In 2016, accrued expenses refer to due interest on loans provided by third parties.

5. Obligations Under Finance Lease (Lessee)

The total amount of the agreed payments broken down by the principal amount and unrealized finance costs as at 31 December 2016 and 31 December 2015 is as follows:

	31 Dec 2016			31 Dec 2015		
	Maturity			Maturity		
	Within 1 Year Inclusive	From 1 to 5 Years Inclusive	More than 5 Years	Within 1 Year Inclusive	From 1 to 5 Years Inclusive	More than 5 Years
Principal	76 186	29 012	-	68 281	97 489	-
Finance cost	2 569	337	-	8 206	3 344	-
Total	**78 755**	**29 349**	**-**	**76 487**	**100 833**	**-**

V. REVENUES

1. Operating Revenues

1.1. Revenues from the Sale of Merchandise, Own Products and Services

Revenues from the Sale of Own Outputs and Merchandise by Major Business Segment and by Major Geographical Segment:

Country	Lease of Workforce, Commission		Total	
	2016	2015	2016	2015
Slovakia	442 678	435 332	442 678	435 332
Total	**442 678**	**435 332**	**442 678**	**435 332**

Net turnover

Item	31 Dec 2016	31 Dec 2015
Revenues from own products	-	-
Revenues from the sale of services	442 678	435 332
Revenues from merchandise	-	-
Revenues from construction contracts	-	-
Revenues from real estate for sale	-	-
Other revenues related to ordinary activities	34 866 448	40 184 247
Total Net Turnover	**35 309 126**	**40 619 579**

In 2016 and 2015, the Company's net turnover is based on an amendment to Act No. 333/2014 Coll. on Accounting and is in line with income statement line 01.

1.2. Revenues from the Capitalization of Costs and Operating Revenues, Revenues from Financing Activities and Revenues of Extraordinary Scope or Occurrence

Item	***2016***	***2015***
Material items from the capitalisation of costs	-	-
Other material items of operating revenues	2 529 414	2 310 587
Of which:		
Contractual fines, penalties and default interest	*1 871 766*	*1 746 072*
Revenues from agreements on debt acknowledgement	*123 086*	*135 226*
Revenues from recovered court fees	*150 752*	*195 567*
Other	*383 810*	*233 722*
Revenues from financing activities		
Foreign exchange gains, of which:	*105*	*1 315*
Foreign exchange gains as at the reporting date	-	-
Other material items of revenues from financing activities, of which:	*32 871 597*	*38 302 949*
Fees for contract conclusion	*21 993 708*	*28 216 331*
Other	*10 877 889*	*10 086 618*
Interest expense	*62*	*102*
Revenues of extraordinary scope or occurrence	-	-

The major items of other operating revenues include paid contractual fines and penalties, revenues from agreements on debt acknowledgement, revenues from bill-of-exchange interest and revenues from recovered court fees from provided loans. The Company actively enforces its debt collection policy against debtors, which has a major impact on other operating revenues.

Other revenues from financial activities include revenues from provided loans and borrowings, in particular from fees for the conclusion of contracts and part of loan interest. Loan interest is released daily into revenues on a linear basis. The decrease vis-à-vis the preceding year is caused by a smaller volume of receivables from granted borrowings in 2016.

VI. EXPENSES

1. Operating Expenses

1.1. Consumables and Services

Item	***2016***	***2015***
Cost of merchandise sold	-	-
Consumed raw materials	170 550	304 502
Energy consumption	84 645	79 160
Consumption of other non-inventory supplies	-	-
Services	8 490 623	10 211 699
Of which:		
Repairs and maintenance	*21 013*	*33 461*
Travel expenses	*19 208*	*73 342*
Entertainment expenses	*35 603*	*62 989*
Commission	*3 388 474*	*4 750 193*
Rent	*400 443*	*503 851*
Notary, legal services	*821 228*	*512 831*
Consulting, economic, audit	*502 368*	*593 923*
Advertisement	*243 438*	*239 931*
Communication services	*402 421*	*389 858*
Other services	*2 656 427*	*3 051 320*

1.2. Costs of Services, Other Operating Expenses, Finance Costs and Expenses of Extraordinary Scope or Occurrence

Item	*2016*	*2015*
Costs of services provided	-	-
Cost of the auditor, audit firm, of which:	*72 296*	*59 721*
Costs of auditing separate financial statements	*54 209*	*42 131*
Other assurance audit services	*2 151*	*4 750*
Related audit services	*-*	*-*
Tax advisory	*8 327*	*5 230*
Other non-audit services	*7 610*	*7 610*
Material items of operating expenses	354 869	716 148
Of which:		
Write-off of receivables	*110 844*	*318 472*
Other	*244 025*	*397 676*
Finance costs	-	-
Foreign exchange losses, of which:	*3 472*	*17 715*
Foreign exchange losses as at the reporting date	*-*	*33*
Other material items of finance costs, of which:	*2 741 796*	*2 716 353*
Fees for guarantees	*1 780 439*	*1 788 667*
Other	*961 357*	*927 686*
Interest expense, of which:	*11 997 520*	*11 487 024*
On loans provided by a foreign private company based in the Netherlands	*11 048 377*	*9 814 968*
On loans provided by Dairewa Properties Limited, based in Cyprus	*942 833*	*1 643 563*
Other	*6 310*	*28 493*
Expenses of extraordinary scope or occurrence	-	-

VII. INCOME TAX

The income tax rate for 2016 amounts to 22%. The Company applied no tax relief.

Corporate income tax rate amounting to 21%, effective from 1 January 2017, was used for the deferred tax calculation.

Item	*2016*	*2015*
Amount of deferred tax assets recognized as expenses or revenues resulting from a change in the income tax rate	-	-
Amount of deferred tax liabilities recognized as expenses or revenues resulting from a change in the income tax rate	-	-
Amount of deferred tax assets related to tax losses carried forward, unclaimed tax deductions and other claims, as well as temporary differences from prior reporting periods, in respect of which no deferred tax assets were recognized in the prior periods	-	-
Amount of deferred tax liabilities originating due to non-recognition in the current period of a portion of the deferred tax assets recognized in previous reporting periods	-	-
Amount of unclaimed tax losses carried forward, unclaimed tax deductions and other claims, as well as deductible temporary differences, in respect of which no deferred tax assets were recorded	-	-
Amount of deferred income tax related to items recognized directly in equity accounts with no disclosure in revenues and expenses	-	-

Reconciliation of Income Tax

Item	*2016*	*2015*
Current income tax:		
On ordinary activities	*2 890*	*1 481 578*
On extraordinary activities	*-*	*-*
Deferred income tax:		
On ordinary activities	*-*	*(1 328 932)*
On extraordinary activities	*-*	*-*
Total income tax	**2 890**	**152 646**

	2016			2015		
	Tax Base	Tax	Tax in %	Tax Base	Tax	Tax in %
Profit/loss prior to taxation	(7 427 807)			417 073		
Of which:						
Theoretical tax	-	*(1 634 118)*		-	*91 756*	
Tax non-deductible expenses	1 725 632	379 639	22	359 841	79 165	22
Revenues exempt from taxation	(62)	(14)	22	(102)	(22)	22
Effect of an unrecognised deferred tax asset	-	-	-	-		-
Tax loss carried forward				(83 263)	(18 318)	22
Change in the tax rate	-	-	-	-	-	-
Other (additional tax/adjustment to deferred tax)	-	-	-	296	65	-
Total	**(5 702 237)**	**(1 254 493)**	**22**	**693 845**	**152 646**	**22**
Current income tax		2 890	-		1 481 578	-
Deferred income tax		-	-		(1 328 932)	-
Total Income Tax		**2 890**	**-**		**152 646**	**-**

See also Note IV.3.2 on the deferred tax liability/deferred tax asset.

VIII. OTHER ASSETS AND OTHER LIABILITIES

1. Contingent Liabilities

Tax returns remain open and may be subject to a review over a five-year period. The fact that a certain period or tax return related to this period has been subject to review does not eliminate the possibility of this period being subject to a potential further review over the five-year period. Accordingly, as at 31 December 2016, the Company's tax returns for 2012 to 2016 remain open and may be subject to review.

Under current Slovak legislation, the Company is obliged to pay an average one-month salary to retiring employees. The Company has estimated that the amount of this obligation is insignificant. The financial statements do not include any adjustments in this regard.

IX. INCOME AND BENEFITS OF MEMBERS OF STATUTORY, SUPERVISORY AND OTHER BODIES OF THE COMPANY

Type of Income, Benefit	Amount of Income, Benefits of Current Members of						Amount of Income, Benefits of Former Members of					
	Statutory Bodies		Supervisory Bodies		Other Bodies		Statutory Bodies		Supervisory Bodies		Other Bodies	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Monetary income	172 540	140 417	60 842	-	-	-	-	-	-	-	-	-
In-kind income	-	-	-	-	-	-	-	-	-	-	-	-
Monetary advance payments	-	-	-	-	-	-	-	-	-	-	-	-
In-kind advance payments	-	-	-	-	-	-	-	-	-	-	-	-
Loans provided	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees issued	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-

X. RELATED PARTIES

Related parties include partners, executives, fellow subsidiaries and Group companies.

Transactions between the aforementioned parties and the Company are made on an arm's length basis and at market prices. The Board of Directors takes all decisions on related party transactions. These transactions are commented on in the relevant notes to the financial statements.

Related Party	***Transaction Type Code***	***Transaction Value***	
		2016	***2015***
PROFI CREDIT Polska, Sp. Z. o.o. (receivable)	11	-	-
PROFI CREDIT Polska SA (receivable)	11	1 440	4 859
PROFI CREDIT Bulgaria EOOD (receivable)	11	760	1 040
PROFI CREDIT Czech, a.s. (receivable)	11	18 023	17 193
PROFI CREDIT Czech, a.s. (payable)	11	35 342	43 598
Profidebt Slovakia, s.r.o. (payable)	11	-	-

Subsidiary/ Parent Company	***Transaction Type Code***	***Transaction Value***	
		2016	***2015***
PROFIREAL Group SE (payable)	08	-	-
PROFIREAL Group SE (payable)	10	156 375	148 619

The transaction type code:
01 – purchase, 02 – sale, 03 – provision of services, 04 – business representation, 05 – license, 06 – transfer, 07 – know-how, 08 – loan and interest, borrowing, 09 – assistance, 10 – guarantee, 11 – other transaction

Related Party	***Transaction Type Code***	***Transaction Value***	
		2016	***2015***
PROFI CREDIT Polska, Sp. Z. o.o. (revenue)	11	-	17 647
PROFI CREDIT Polska SA (revenue)	11	36 210	108 442
PROFI CREDIT Bulgaria EOOD (revenue)	11	18 189	27 867
PROFI CREDIT Czech, a.s. (revenue)	11	73 110	56 088
PROFI CREDIT Czech, a.s. (expense)	05	65 694	112 983
PROFI CREDIT Czech, a.s. (expense)	11	351 414	554 131
Profidebt Slovakia, s.r.o. (expense)	11	-	6 774

Subsidiary/ Parent Company	***Transaction Type Code***	***Transaction Value***	
		2016	***2015***
PROFIREAL Group SE (expense)	08	-	354
PROFIREAL Group SE (expense)	10	1 780 439	1 788 667

The transaction type code:
01 – purchase, 02 – sale, 03 – provision of services, 04 – business representation, 05 – license, 06 – transfer, 07 – know-how, 08 – loan and interest, borrowing, 09 – assistance, 10 – guarantee, 11 – other transaction

XI. EVENTS THAT OCCURED BETWEEN THE REPORTING DATE AND THE DATE ON WHICH THE FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE

As at the reporting date, there are no known subsequent events that would require adjustments to these financial statements in line with the accounting regulations.

XII. CHANGES IN EQUITY

31 December 2016

Item	*Balance as at 1 Jan 2016*	*Additions*	*Disposals*	*Transfers*	*Balance as at 31 Dec 2016*
Registered capital	500 000		-	-	500 000
Treasury shares and treasury stock	-	-	-	-	-
Change in the registered capital	-	-	-	-	-
Amounts receivable for subscribed capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital funds	-	-	-	-	-
Legal reserve fund (non-distributable fund) from capital contributions	-	-	-	-	-
Revaluation reserve from the revaluation of assets and liabilities	-	-	-	-	-
Revaluation reserve from capital contributions	-	-	-	-	-
Revaluation reserve from fusions, mergers and separations	-	-	-	-	-
Legal reserve fund	50 000		-	-	50 000
Non-distributable fund	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-
Retained earnings of previous years	-	-	-	-	-
Accumulated loss from previous years	(9 234 657)	-	(11 039 375)	264 427	(20 009 605)
Profit/loss for the current period	264 427	-	(7 430 697)	(264 427)	7 430 697
Paid dividends	-	-	-	-	-
Other equity items	-	-	-	-	-
Account 491 – Sole proprietor's equity	-	-	-	-	-

As at 1 January 2016, the Company recognized an increase in the provision for receivables in the amount of EUR 5 598 321 in equity as an increase in the Accumulated loss from previous years owing to a change in the method for provision recognition.

As at 1 January 2016, the Company recognized a deferred tax asset totalling EUR 5 441 055 in equity as an increase in the accumulated loss from previous years owing to a change in the recognition method and owing to the uncertain utilization of deductible differences in the future; this uncertainty already existed in the previous reporting period and has increased as a result of a change in the provisioning method.

31 December 2015

Item	*Balance as at 1 Jan 2015*	*Additions*	*Disposals*	*Transfers*	*Balance as at 31 Dec 2015*
Registered capital	6 639	-	-	493 361	500 000
Treasury shares and treasury stock	-	-	-	-	-
Change in the registered capital	-	493 361	-	(493 361)	-
Amounts receivable for subscribed capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital funds	-	-	-	-	-
Legal reserve fund (non-distributable fund) from capital contributions	-	-	-	-	-
Revaluation reserve from the revaluation of assets and liabilities	-	-	-	-	-
Revaluation reserve from capital contributions	-	-	-	-	-
Revaluation reserve from fusions, mergers and separations	-	-	-	-	-
Legal reserve fund	1 328	-	-	(48 672)	50 000
Non-distributable fund	-	-	-	-	-
Statutory funds and other funds	-	-	-	-	-
Retained earnings of previous years	-	-	-	-	-
Accumulated loss from previous years	(9 969 433)	-	-	734 776	(9 234 657)
Profit/loss for the current period	783 448	264 427	-	(783 448)	264 427
Paid dividends	-	-	-	-	-
Other equity items	-	-	-	-	-
Account 491 – Sole proprietor's equity	-	-	-	-	-

XIII. CASH FLOW STATEMENT

The cash flow statement is included in Table 1 in the Appendix.

Cash comprises cash on hand, cash equivalents, and cash at bank, i.e. current accounts, overdraft facility, and a portion of cash in transit.

Cash equivalents comprise current financial assets that are readily convertible at an amount of cash known in advance and subject to an insignificant risk of changes in their value in the next three months, as at the reporting date.

Breakdown of cash and cash equivalents:

Item	*Account*	*31 Dec 2016*	*31 Dec 2015*
Cash	211	2 481	4 580
Stamps and vouchers	213	7 479	8 352
Bank accounts	221	865 042	993 580
Overdraft facility	221	-	-
Total		**875 002**	**1 006 512**

The Company used the indirect method of presenting cash flows from operations.

Appendices:

Table 1: Cash Flow Statement

Table 1 – Cash Flow Statement

Description	Item	Actual amount in EUR Current Reporting Period	Previous Reporting Period
Cash flows from operating activities			
Z/S	**Profit/loss from ordinary activities before income tax (+/-)**	**(7 247 806)**	**417 072**
A.1.	**Non-cash transactions affecting profit/loss from ordinary activities before income tax (+/-)**	**11 172 887**	**16 552 146**
	Amortisation and depreciation of non-current intangible and tangible assets (+)	305 530	217 911
	Change in provisions for liabilities (+/-)	135 124	(181 740)
	Change in provisions for assets (+/-)	16 649 344	11 947 346
	Change in expense and revenues accruals (+/-)	(18 031 384)	(7 187 850)
	Interest charged to expenses (+)	11 997 520	11 487 024
	Interest charged to income (-)	(62)	(102)
	Foreign exchange gain/loss quantified to cash and cash equivalents as at the reporting date (-/+)	-	34
	Profit/loss on sales of non-current assets except for those assets considered as cash equivalents (+/-)	(16 908)	(72 510)
	Other non-cash items (+/-)	133 723	342 032
A.2.	**Effect of changes in working capital on profit/loss from ordinary activities**	**5 678 531**	**(7 190 037)**
	Change in receivables from operations (-/+)	6 067 006	(6 375 070)
	Change in payables from operations (+/-)	(388 475)	(814 967)
	Cash flow from operating activities, except for income and expenditures listed separately in other sections of the cash flow statement (+/-), (total Z/S+A.1.+A.2.)	**9 423 612**	**9 779 181**
	Interest received (+)	62	102
	Interest paid (-)	(11 832 108)	(11 352 038)
	Income tax paid (-/+)	(1 972 112)	(1 981 863)
A.	**Net cash flow from operating activities**	**(4 380 546)**	**(3 554 618)**
	Cash flow from investing activities		
	Expenditures for acquisition of non-current intangible assets (-)	(23 344)	(82 809)
	Expenditures for acquisition of non-current tangible assets (-)	(9 964)	(528 261)
	Income on sale of non-current tangible assets (+)	59 760	72 510
B.	**Net cash flow from investing activities**	**26 452**	**(538 560)**
	Cash flows from financing activities		
C.1.	**Cash flows in equity**	**-**	**493 361**
	Income on subscribed shares and ownership interests (+)	-	493 361
C.2.	**Cash flows arising on non-current and current payables from financing activities**	**4 222 584**	**3 136 722**
	Income on other non-current and current payables resulting from financing activities of the Company (+)	13 100 000	20 288 222
	Repayment of other non-current and current payables resulting from financing activities of the Company (-)	(8 877 416)	(17 151 501)
C.	**Net cash flows from financing activities**	**4 222 584**	**3 630 083**
D.	**Net increase or net decrease in cash and cash equivalents (+/-) (aggregate A+B+C)**	**(131 510)**	**(463 095)**
E.	Cash and cash equivalents at the beginning of the reporting period	1 006 512	1 469 645
F.	Cash and cash equivalents at the end of the reporting period prior to reflecting foreign exchange gains/losses quantified as at the reporting date (+/-)	875 002	1 006 546
G.	Foreign exchange gains/losses quantified to cash and cash equivalents as at the reporting date (+/-)	-	(34)
H.	**Cash and cash equivalents at the end of the reporting period adjusted for foreign exchange gains/losses quantified as at the reporting date (+/-) (total of D + E + G)**	**875 002**	**1 006 512**

8. CONTACTS

Company Name:

PROFI CREDIT Slovakia, s.r.o

Company Registered Office:

PROFI CREDIT Slovakia, s.r.o

Pribinova 25

824 96, Bratislava

Mailing Address:

PROFI CREDIT Slovakia, s.r.o

Pribinova 25

824 96, Bratislava

Tel.: +421 2 20 64 11 59

Fax: +421 2 20 64 11 70

e-mail: proficredit@proficredit.sk

www.proficredit.sk

Legal Form:

limited liability company

Company ID No.:

35 792 752

Tax ID No.:

SK2021509270