

PROFI CREDIT POLAND SP. Z O.O.
BIELSKO-BIAŁA UL. BROWARNA 2

FINANCIAL STATEMENTS
FOR THE 2017 FINANCIAL YEAR

A. INTRODUCTION TO FINANCIAL STATEMENT

1. Company profile:

a) Name of the Company

The Company operates under the business name PROFİ CREDIT Poland Sp. z o.o. [limited liability company] (until 20th of February 2008, the Company operated under the business name Profireal Polska Sp. z o.o. [limited liability company])

b) Registered office

The registered office of the Company is located in Bielsko - Biała, at the address: ul. Browarna 2.

Board Members

In the period from 1 January 2017 till 31 December 2017 the Management Board of the Company was the following:

President of the Board	Krzysztof Knappek
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c) Significant change in the Company's organizational structure

None

d) Main activity

The Company business line is debt collection; In 2015 the Company ceased offering loans.

e) Register-keeping body

PROFI CREDIT Poland Sp. z o.o. ("Company") was established on basis of Notarial Deed of 21st of May, 2004 and entered into Polish National Court Register (KRS) kept by the District Court in Bielsko - Biała, 8th Economic Division of the National Court Register, under KRS number: 0000211745.

2. Duration period of the Company

The Company was established to operate for an indefinite period of time.

3. Reporting period

This financial statement was prepared for the year from 1st of January, 2017 to 31st of December, 2017.

4. Internal reporting units

The Company does not have any internal reporting units that prepare independent financial statements.

5. Simplifications applied

Under the article 46 par. 5 (5), article 47 par. 4 (5), article 48 par. 4, article 48a par. 4, article 48b par. 5 and the article 49 par. 5 of the Accounting Act.



PROFI CREDIT

Profireal Group

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E-mail: info@proficredit.pl, www.proficredit.pl

KRS: 0000211745, REGON: 072908203, NIP: 547-20-03-132,

VIII Wydział Gospodarczy Krajowego Rejestru Sądowego Sądu Rejonowego w Bielsku-Białej, Kapitał zakładowy 200 000,00 PLN

6. Going concern basis

The financial statement for the year 2017 was prepared on the going concern basis. There is no circumstances that this assumption can be adversely affected in the nearest future. Taking into account the above, the financial statement does not include any adjustments, which would be necessary if the going concern assumption is not justified.

7. Accounting policy

7.1. Basis and format of the financial statement preparation

The financial statement has been prepared according to the Accounting Act dated of 29th of September, 1994 (uniform text in Polish Journal of Laws no. 395 of the year 2018, as amended - hereinafter referred to as "Act").

The profit and loss account has been prepared by the Company with classification of expenses by function.

7.2 Methods of assets and liabilities valuation and financial results recognition

7.2.1 Intangible assets

Under this category the Company classifies property rights, that have an expected useful life over 1 year, were purchased by the Company and are assigned to be used for the unit's needs.

At the balance sheet date intangible assets are valued at purchase prices, reduced by depreciation or amortization write-offs and impairment write-offs.

The depreciation rates have been established taking into consideration the expected useful life of assets. Intangible assets are depreciated using the straight line method at the rate of 30%. The Company starts to depreciate intangible assets once they are in use.

Intangible assets of the value lower than 3 500 PLN, are fully (100%) amortised in the month they are approved for use.

7.2.2 Fixed assets

Under this category the Company classifies tangible fixed assets and their equivalents, that have expected useful life over 1 year, complete, usable and assigned to be used for the unit's needs.

The initial value of fixed assets is subject to increase by value of expenditures incurred to improve them (reconstruction, development, modernization).

The initial value of fixed assets is reduced by depreciation write-offs. Depreciation write-offs are made using the straight line method taking into consideration the expected useful life of assets and wear and tear of fixed assets.

In particular the following depreciation rates are used:

Technical equipment and machines	10 % - 30 %
Vehicles	20 %
Other fixed assets	14 % - 20 %

The Company starts to depreciate intangible assets once they are in use.

Fixed assets of the value lower than 3 500 PLN, are fully (100%) amortised in the month they are approved for use.

Fixed assets that are used on basis of rental agreements, lease agreements or other agreements of similar nature are not subject to depreciation.

In case of permanent impairment of fixed assets, the appropriate revaluation write-offs will reduce the book value of fixed assets.

Revaluation write-offs caused by permanent impairment are recognized in other operating expenses.

At the balance sheet date fixed assets are valued at purchase prices, reduced by depreciation or amortization write-offs and impairment write-offs

7.2.3 Fixed assets under construction

Under this category the Company classifies fixed assets that are being constructed or assembled or that are being created as a result of improvement of already existing fixed asset.

The initial book value of fixed assets under construction encompass all of the their costs incurred by the Company during the period of construction, assembly, adjustment and improvement, until the balance sheet date or date of approval for use, including also:

- non-deductible VAT tax and excise duty,
- cost of interest incurred on financing assets under and related exchange rate

The book value of fixed assets under construction is reduced by revaluation write-offs in case of heir permanent impairment.

Advance payments for fixed assets under construction are recognized at nominal value.

At the balance sheet date, fixed assets under construction are valued in the amount of all costs incurred, including the cost of interest incurred on financing these assets and related exchange rate differences, reduced by any impairment write offs.

7.2.4 Leasing

Fixed assets that are subject of financial leasing are recognized in the balance sheet equivalently to other fixed assets and are subject to depreciation according to the same rules. Initial value of fixed assets that are subject of financial leasing and corresponding payables has been established in the amount equal to discounted value of future lease charges. Lease charges incurred during reporting period are recognized in financial lease payables in the amount equal to capital instalments and the surplus constituting interest is charged to the financial costs of the period.

7.2.5 Debt portfolio

Any loans and receivables meeting the definition criteria of financial instruments in view of article 3 paragraph 1 item 23 of the Act, created as a result of granting directly to the other party of an agreement cash, goods or services that the Company did not assign as available for sale in short-term period, are classified under category of granted loans and receivables.

Granted loans are valued as of the balance sheet day at amortised cost, using the effective interest rate method.

On the balance sheet date the Company evaluates whether there is objective evidence indicating permanent impairment of these financial assets. On the balance sheet date the Company created provisions on the basis of classification of loans that is based on criterion of delay in payment of instalments and the probability of default.

Impairment loss is recognized in profit and loss account for the current period.

7.2.6 Inventories

Under this category the Company classifies:

- held for sale as a result of normal economic activity,
- in production assigned for such sale, or
- in the form of materials or resources assigned for use during production process or during provision of services

Inventories are recognized at lower of purchase price and net sales price. Inventories of materials and goods are valued using the FIFO method. The net sales price is equal to estimated sales price reduced by all expenses necessary to finish production and sale the inventories or to find the purchaser.

7.2.7 Short-term and long-term receivables



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Receivables are recognized in the amount due reduced by impairment write-offs.

Receivables are impaired taking into consideration probability of default, with consideration of the probability rate of their payment by making a revaluation write-off. Impairment write offs revaluating receivables are charged to other operating costs and financial costs, depending on the type of receivable.

Receivables that shall become due within the period of more than 12 months from the balance sheet date are classified as 'Long-term receivables'.

7.2.8 Cash and cash equivalents

Cash in bank and in hand and short-term deposits held to maturity date are valued at nominal value.

Cash in foreign currency is valued using average exchange rate of a given currency established by National Bank of Poland as of the balance sheet date. Cash in Polish currency is recognized at nominal value.

7.2.9 Deferred costs and accruals

Deferred costs are classified into the following categories:

- long-term that relate to future reporting periods and last longer than 12 months after the balance sheet date,
- short-term that relate future reporting periods and last not longer than 12 months after the balance sheet date.

Deferred costs and accruals are written write-off to profit and loss account proportionally over the period of time or inflow of benefits.

Under category of accrued expenses, the Company recognises the probable payables falling in a given reporting period, resulting in particular:

- 1) from services performed by contractors, provided that the amount of payable is known or possible to estimate in reliable way,
- 2) from the obligation to perform future services related to current operations, that are possible to estimate in reliable way on the basis of planning data or on the basis of production realization.

Accrued expense write-offs are made over the period of time that they are related to. The time and method of making settlements is justified by nature of settled costs, on basis of prudence concept.

7.2.10 Payables

Payables are obligations to perform services at reliably established value that results from past events and which will use the already possessed or future assets of the Company. Payables are initially recognized at the nominal value. Payables are valued at the balance sheet date at due amount.

Financial payables, the settlement of which /according to conditions of the agreement/ is made by way of transferring financial assets other than cash or by way of exchange for financial instruments (see item 7.2.11), are excluded from the above rule.

7.2.11 Payables resulting from financial leasing

The Company entered into lease agreements on the basis of which it uses for its benefit the external fixed assets or intangible assets for agreed-upon period and charge.

In case of financial lease agreements that transfer to the Company practically all the risks and benefits resulting from use of the leased assets, those assets are recognised in the Company's books from the day of start of the lease agreement at lower of the following two values: fair value of leased asset or current value of minimal lease payments. Lease payments are divided into payment of capital instalments and cost of interests (financial costs) calculated at fixed rate on amount due from capital. Financial costs are recognized directly in profit and loss account.

7.2.12 Loans received



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At the moment of initial recognition, the loans are recognized at amount of received cash and including costs of obtaining the loan. Then, all loans are valued according to amortised cost using the effective interest rate.

7.2.13 Exchange rate differences

Transactions in foreign currencies are initially recognized in the Company's books using accordingly the following exchange rates:

- exchange rate of purchase or sale of currencies used by the bank, the services of which are used by the Company - in case of operations of sale or purchase of currencies and operations of payment of due amounts
- historical exchange rate in case of payment of payables,
- average exchange rate established for a given currency by the National Bank of Poland for the day before, unless other exchange rate was established in customs declaration or other document binding for the unit - in case of other operations.

As at the balance sheet date, assets and liabilities are valued at average exchange rate of the National Bank of Poland.

Exchange rate differences resulting from valuation or payment of assets and liabilities quoted in foreign currency except long-term investments, are recognized accordingly in financial revenues or financial costs. In justified cases the exchange rate differences are included in purchase price of goods, purchase price or production costs of fixed assets, fixed assets in construction or intangible assets.

7.2.14 Provisions

Under this category the Company classifies obligations, that due date or amount to be paid are not certain. Provisions are created to cover certain or probable future payables and are charged to other operating costs, financial costs or extraordinary losses, depending on nature of related future payables.

Provisions for retirement benefits are valued in amount estimated using actuarial methods, that in reliable way enable to assess future obligations.

7.2.15 Taxation

Current payables resulting from income tax from legal persons are calculated according to Polish tax regulations.

Tax profit (loss) is different from net accounting profit (loss) as a result of temporary differences between accounting and tax revenues and costs.

Deferred income tax assets are temporary differences between value of assets and liabilities recognized for accounting purposes and their tax value and deductible tax loss.

Deferred tax assets are established in the amount that is expected to be deducted from income tax.

Deferred income liabilities are positive temporary differences between value of assets and liabilities recognized for accounting purposes and their tax value.

While calculating deferred tax assets and liabilities, the Company applies a tax rate that will be used in the tax, which tax asset/liability relates to.

7.2.16 Equity

As at the balance sheet date, the equity is recognized in the amount stipulated in the Company's articles of association and entered into court register.

Profit or loss from previous years reflects the undistributed result from previous years that is subject to decision of the Shareholders Meeting, as well as results from changes in accounting policy and basic errors regarding previous years but found in the current financial year.



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7.2.17 Revenues, expenses and financial result

Revenues and profits

Revenues and profits are defined as economic benefits that have reliably established value, in the form of increase in value of assets or decrease in value of payables, which will lead to increase in equity or decrease in its shortage by means other than contributions of shareholders or owners.

Revenues from interest are recognized at the moment of their calculation (using the effective interest rate) and are presented as revenues from sale of services.

Costs and losses

Costs and losses are defined as substantiated decreases of economic benefits, occurring during the reporting period, that have reliably established value, in the form of decrease in value of assets or increase in value of payables and provisions, which will lead to decrease in equity or increase in its shortage by means other than withdrawal of assets made by shareholders or owners.

Financial result

Net financial result consists of:

1. operating result, including that resulting from other operating costs and revenues (indirectly related with operations of the unit),
2. result on financial operations,
3. obligatory encumbrances of financial result resulting from income tax, the payer of which is the unit, and equivalent payments, on the basis of separate regulations.



Balance sheet as of 31 December 2017 and 31 December 2016 (PLN)

ASSETS

Lp.	Title	As at 31.12.2017r.	As at 31.12.2016r.
A	FIXED ASSETS	14 993,37	50 032,97
I	Intangible assets	7 536,35	7 879,64
II	Tangible fixed assets	1 941,90	2 571,78
1	Fixed assets	1 941,90	2 571,78
2	Fixed assets under construction	0,00	0,00
3	Advance payments for fixed assets under construction	0,00	0,00
III	Long-term receivables	0,00	0,00
1	From related parties	0,00	0,00
2	From other entities	0,00	0,00
IV	Long-term investments	1,26	1,30
-	Real estate	0,00	0,00
-	Long-term financial assets	1,26	1,30
V	Long-term prepayments	5 513,86	39 580,25
B	CURRENT ASSETS	6 487 418,14	6 260 421,79
I	Inventory	0,00	0,00
II	Short-term receivables	49 767,22	58 011,98
a	for supplies and services with repayment period of:	0,00	12 283,38
	- up to 12 months	0,00	0,00
	- above 12 months	0,00	12 283,38
III	Short-term investments	6 430 197,51	6 199 111,31
a	Short-term financial assets	6 430 197,51	6 199 111,31
	- cash in hand and on bank accounts	194 797,35	200 597,23
IV	Short-term prepayments	7 453,41	3 298,50
C	Called up share capital	0,00	0,00
D	Own shares (stocks)	0,00	0,00
	TOTAL ASSETS	6 502 411,51	6 310 454,76

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Balance sheet as of 31 December 2017 and 31 December 2016 (PLN)**LIABILITIES**

Lp.	Title	As at 31.12.2017r.	As at 31.12.2016r.
A	EQUITY	6 433 407,64	5 991 335,99
I	Share capital	200 000,00	200 000,00
-	Share capital registered after balance sheet day	0,00	195 000,00
II	Supplementary capital	71 598 420,97	71 400 673,22
III	Capital from revaluation	0,00	0,00
V	Other reserve capitals	-65 807 084,98	-65 807 084,98
VI	Profit (loss) from the previous years	0,00	0,00
VII	Net profit (loss)	442 071,65	197 747,75
VIII	Deductions from net profit during financial year	0,00	0,00
B	LIABILITIES AND RESERVES FOR LIABILITIES	69 003,87	319 118,77
I	Reserves for liabilities	15 162,40	182 861,00
-	Reserve for retirement pensions and similar payments	0,00	0,00
II	Long-term liabilities	0,00	0,00
-	from loans	0,00	0,00
III	Short-term liabilities	32 244,82	110 801,69
a	credits and loans	0,00	0,00
b	for supplies and services with payment period of:	11 727,39	1 753,37
-	up to 12 months	11 727,39	1 753,37
-	above 12 months	0,00	0,00
c	Special funds	0,00	0,00
IV	Prepayments	21 596,65	25 456,08
	TOTAL LIABILITIES	6 502 411,51	6 310 454,76

Signature of the person
responsible for bookkeeping

Agnieszka Kubowicz

President of the Board

Krzysztof Knapek



Profit and loss account for the period of 12 months ending 31 December 2017 and 31 December 2016 (PLN)

Lp.	Title	01.01.17-31.12.17r.	01.01.16-31.12.16r.
A	Net sales revenues	483 134,14	487 612,91
B	Costs of sold products, goods, and materials	0,00	0,00
C	Cost of sales	0,00	0,00
D	General administrative expenses	156 271,04	308 951,54
E	Sales profit (loss) gross (A-B-C-D)	326 863,10	178 661,37
F	Other operating revenues	219 378,16	843 189,25
-	Revaluation of fixed assets	0,00	0,00
G	Other operating costs	56 657,89	667 665,15
-	Revaluation of fixed assets	0,00	0,00
H	Financial revenues	12 535,30	19 456,35
I	Dividends and share in profits, incl:	0,00	0,00
-	from related parties	0,00	0,00
II	Interest, incl:	12 535,30	19 456,35
-	from related parties	4 561,08	0,00
III	Gain of disposal of investments	0,00	0,00
-	from related parties	0,00	0,00
IV	Revaluation of investments	0,00	0,00
I	Financial costs	7 255,55	32 932,39
I	Interest	7 166,18	32 094,09
-	for related parties	0,00	0,00
II	Loss from disposal of investment	0,00	0,00
-	for related parties	0,00	0,00
III	Revaluation of investments' value	0,00	0,00
J	Gross profit (loss) (E+F-G+H-I)	494 863,12	340 709,43
K	Income tax	52 791,47	142 961,68
L	Net profit (loss) (J-K)	442 071,65	197 747,75

Signature of the person
responsible for bookkeeping

Agnieszka Kubowicz

President of the Board

Krzysztof Knapek



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B. ADDITIONAL INFORMATION AND CLARIFICATIONS

1. Information on significant events regarding previous years, recognized in financial statement for the financial year

Until the date of the financial statement, that is 31st of December, 2017, no events occurred regarding previous years that were not, despite they should have been, recognized in account books of the financial year.

2. Information on significant events that occurred after the balance sheet date and have not been included in the financial statement

No significant events occurred after the balance sheet date that have not been reported in the financial statement.

3. Change of accounting principles and estimations during the financial year

During the examined financial year no changes of accounting principles or ways of financial results presentation occurred that influenced financial standing or financial statement of the Company.

4. Comparability of data in financial statement for the preceding year with financial statement for the financial year

The financial statement for 2017 was not audited by an expert auditor.

5. Intangible assets and tangible fixed assets

5.1. Groups of fixed assets and intangible assets their changes:



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	Item	As at 31.12.2017r.	As at 31.12.2016r.
Intangible Assets		7 536,35	7 879,64
GROSS VALUE	Amount at the beginning of period	13 555,83	13 555,83
	increases	2 583,00	-
	decreases	-	-
	Amount at the end of period	16 138,83	13 555,83
DEPRECIATION	Amount at the beginning of period	5 676,19	2 965,15
	increases	2 926,29	2 711,04
	decreases	-	-
	Amount at the end of period	8 602,48	5 676,19
Tangible assets		-	-
Machinery		1 941,90	2 571,78
GROSS VALUE	Amount at the beginning of period	3 149,17	-
	increases	-	3 149,17
	decreases	-	-
	Amount at the end of period	3 149,17	3 149,17
DEPRECIATION	Amount at the beginning of period	577,39	-
	increases	629,88	577,39
	decreases	-	-
	Amount at the end of period	1 207,27	577,39
Technical equipment		-	-
Vehicles		-	-
Tools		-	-
Fixed assets under construction		-	-
Advances for fixed assets		-	-

5.2. Expenditures for non-financial fixed assets incurred during last year and planned for next year:

Expenditures for	Posted in the current year	Planned for the next year
Intangible assets	2 583,00	-
Fixed assets	-	-
- including those concerning environment protection	-	-
Fixed assets under construction	-	-
- including those concerning environment protection	-	-
Advance payments for fixed assets under construction	-	-
Investments in immovable property and entitlements	-	-
Total	2 583,00	-



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5.3. Value of land used on the basis of right of perpetual usufruct

The unit did not possess any such land during the reporting period.

5.4. Value of fixed assets not depreciated by the unit, used on the basis of agreements for rent and tenancy and other agreements, including lease agreements. Status as of 31.12.2017

As of 31 December 2017 the Company leased only its premises and had no other lease agreements.

5.5. Payables to national budget or local government units, resulting from acquisition of property rights to buildings and structures.

During the reporting period no payables to national budget or local government units resulting from the abovementioned causes occurred.

6. Investments (loans granted)

(PLN)	As at 31.12.2017r.	As at 31.12.2016r.
Loans granted (gross)	310 598,53	276 122,95
Impairment	- 310 598,72	- 276 123,14
Effective interest rate adjustment	1,45	1,49
Net value	1,26	1,30

7. Short and long term receivables

(PLN)	As at 31.12.2017r.	As at 31.12.2016r.
Long term receivables, incl	-	-
Receivables from affiliated units	-	-
Receivables from other units	-	-
Short term receivables, incl	1 114 688,72	1 004 912,62
Receivables from affiliated units	-	12 283,38
Receivables from other units	-	-
Receivables resulting from taxes, subsidies, duties, social security, Other receivables	898,02	311,30
Amounts dues under loan claims.	45 444,50	45 417,31
Amounts dues under loan claims.	1 068 346,20	946 900,63
Impairment	- 1 064 921,50	- 946 900,64
Short term receivables net	49 767,22	58 011,98

Impairment (PLN)	As at 31.12.2017r.	As at 31.12.2016r.
As of 1 January	946 900,64	908 494,37
Increases	-	-
Dissolution	- 118 020,86	- 38 406,27
As of 31 December	1 064 921,50	946 900,64



8. Equity

As at the balance sheet day the shareholder structure of the Company was the following:

LP.	NAME OF SHAREHOLDER	NUMBER OF SHARES OF A GIVEN TYPE			NOMINAL VALUE OF SHARES	% SHARE IN SHARE CAPITAL
		ORDINARY	PREFERENCE	OTHER		
1.	PROFIREAL GROUP SE	100	-	-	200 000,00	100%
	Total	100			200 000,00	100%

9. Distribution of net profit for the financial year

The financial statement was prepared before a resolution on net profit distribution was adopted.

10. Provisions

ITEM	As at 31.12.2017r.	As at 31.12.2016r.
Provision resulting from deferred income tax	-	-
Long-term provision for retirement benefits	-	-
Short-term provision for retirement benefits	-	-
Other long-term provisions	-	-
Other short-term provisions	15 162,40	182 861,00
TOTAL	15 162,40	182 861,00

11. Long term and short term payables

Payables constitute present obligation of the Company resulting from past events, the fulfilment of which according to expectations causes outflow of the unit's assets, which include economical benefits.

Short-term payables consists of:

- trade payables,
- payables resulting from public/regulatory titles,

11.1. Long term payables

ITEM	As at 31.12.2017r.	As at 31.12.2016r.
Long term credits and loans	-	-
payable up to 1 year	-	-
payable over 1 year	-	-
Financial leasing	-	-
payable up to 1 year	-	-
payable over 1 year	-	-
Total long term payables	-	-



PROFI CREDIT

Profireal Group

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 VIII Wydział Gospodarczy Krajowego Rejestru Sądowego Sądu
 Rejonowego w Bielsku-Białej, Kapitał zakładowy 200 000,00 PLN

11.2. Short term payables

ITEM	As at 31.12.2017r.	As at 31.12.2016r.
Short term payables including	32 244,82	110 801,69
Payables to Affiliated units, including	2 650,31	1 572,56
Trade payables	2 650,91	1 572,56
payable up to 1 year	2 650,91	1 572,56
payable over 1 year	-	-
Short term credits and loans	-	-
Payables to Affiliated units, including	29 593,91	109 229,13
Trade payables	9 076,48	180,81
payable up to 1 year	9 076,43	180,81
payable over 1 year	-	-
Payables resulting from taxes, duties and social security	19 309,26	107 201,33
Payables to employees	-	119,21
Other payables	1 208,17	1 727,78
Special funds	-	-
Total payables	32 244,82	110 801,69

12. Accruals and prepayments

Item	As at 31.12.2017r.	As at 31.12.2016r.
Long-term accrued and prepaid expenses, assets, including:	5 513,86	39 580,25
- deferred tax assets	5 513,86	39 580,25
- other accruals and prepayments	-	-
Short term prepaid expenses	7 453,41	3 298,50
Short term accruals	21 596,65	25 456,08

13. Revenues from operating activity

In the reporting period, the Company received a due amount of PLN 194,318,00 resulting from the judgement in case no. VII Aca 962/17 against President of the Office for Competition and Consumer Protection on determining practices that violate collective consumers interests, as a result of both parties' appeal against the decision of the Regional Court in Warsaw of the Court for Competition and Consumer Protection of 5 April 2016, case no. XVIII AmA 82/14.

14. Payables pledged on the company's assets

As of 31 December 2017 the Company did not have any assets that were pledged against its liabilities.

15. Contingent liabilities



As of 31 December 2017 and 31 December 2016, the Company does not have contingent liabilities, including guarantees, sureties and bills of exchange.

16. Off balance sheet payables

As of 31 December 2017 and 31 December 2016, the Company does not have material off balance sheet payables.

17. Fixed asset revaluation write-offs

The Company has made no fixed asset revaluation write-offs.

18. Cost of producing fixed assets under construction and fixed assets for own needs.

Not applicable in the Company.

19. Interest and currency differences which increased the purchase price of goods and the manufacturing cost of products in the financial year.

Not applicable in the Company

20. The amount and nature of extraordinary or one-off revenues or costs.

Not applicable in the Company

21. Inventory revaluation write-offs

The Company has made no inventory revaluation write-offs.

22. *Nature and economic purpose of agreements concluded by the Company that were not included in the balance sheet in the scope necessary to evaluate their influence on material and financial situation of the unit, as well as on its financial result.*

Not applicable in the Company.

23. *Significant transactions with related parties that had not been concluded on arm' length basis*

In the financial year, the company has made no entrance into transactions with affiliated parties on other than market terms.

24. Information regarding personnel

24.1. *Average employment during the financial year, with division into blue-collar and white-collar workers.*

As of 31 December 2017 the Company employed 3 persons on temporary contracts.

24.2. *Loans and similar benefits granted to persons being members of management and supervisory bodies of commercial companies (separately for each group), with indication of interest conditions and payment terms.*

The Company does not grant loans to management staff.

25. Information on capital group and transactions with related parties



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VII Wydział Gospodarczy Krajowego Rejestru Sądowego Sąd Rejonowy w Bielsku-Białej, Kapitał zakładowy 200 000,00 PLN

25.1. Abandonment of drafting of consolidated financial statement

The Company was not obligated to draft a consolidated financial statement and did not take advantage of any exemptions or exclusions within that scope.

25.2. Information on drafting of consolidated financial statement

The consolidated financial statement will be drafted by PROFIREAL GROUP SE, having its registered office at the address: Amsterdam, Martinus Nijhofflaan 2, 2624ES Delft.

Bielsko-Biała, 31th March, 2018

Signature of the person
responsible for bookkeeping

Agnieszka Kubowicz

President of the Board

Krzysztof Knappek



Management Report on the operations of PROFI CREDIT Poland Sp. z o.o. in 2017

1. Company profile:

Name: PROFIT CREDIT Poland Sp. z o.o.

Registered office: Poland, Bielsko-Biala, 43-300, ul. Browarna 2

Legal status: Limited company

Line of business: The Company business activity involves debt trading; in 2015 the company ceased offering loans.

In the period from 1 January 2017 till 31 December 2017 the composition of the Company Management Board was the following:

President of the Board

Krzysztof Knappek

2. Significant change in the Company's organizational structure

None

3. Change in the ownership structure and the share capital

None

4. Sales and orders' portfolio

In 2017, the company was performing the agreement concluded with an associate, which involved organizing and conducting disposal of claims transactions. The company conducted intense negotiations with prospective purchasers of claims, which were intended for sale on the basis of the above agreement. Until 31.12.2017, a prospective purchaser of claims had not been chosen, and the claims disposal process was extended.



5. Staff and social benefits

As of 31.12.2017 the Company employed 3 employees on basis of temporary contracts.

6. Investments

None

7. Financing

At the end 2017, the Company did not have any external sources of financing.

8. Information about material events

In the reporting period, the Company obtained a sentence in case no. VII Aca 962/17 against President of the Office for Competition and Consumer Protection on determining practices that violate collective consumers interests, as a result of both parties' appeal against the decision of the Regional Court in Warsaw of the Court for Competition and Consumer Protection of 5 April 2016, case no. XVIII AmA 82/14 that obliged to pay the fine of PLN 194,318.00 the fine was paid by Profi Credit Polska S.A. on account of the concluded warranty.

9. Basic financial ratios

The balance sheet total increased from PLN 6,310,454.76 (as at 31 December 2016) to PLN 6,502,411.51 (as at 31 December 2017), i.e. by 2,95%.

The financial result for 2017 was on the level of PLN 442,071.65 and was 124% higher compared to the year 2016.

The share capital is PLN 200,000.00 divided into 100 shares with the value of PLN 2000 each.

10. Financial situation

The table below illustrates Company results whereas any decrease in value results from the fact that the Company did not sell its debts in the reporting year.

Lp.	Title	As at 31.12.2017r.	As at 31.12.2016r.	Change	Dynamics
A	Net revenues from sales	483 134,14	487 612,91	-4 478,77	-1%
B	Costs of sold products, goods, and ma	0,00	0,00	0,00	0%
D	General and administrative expenses	136 271,04	308 951,54	-152 680,50	-49%
F	Other operating income	210 570,16	843 189,25	-623 811,09	-74%
G	Other operating cost	56 657,89	667 665,15	-611 007,26	-92%
H	financial income	12 535,20	19 456,35	-6 921,05	-36%
I	financial costs	7 255,55	32 932,39	-25 676,84	-78%
L	Net profit (loss)	442 071,65	197 747,75	244 323,90	124%



11. Expected development

The Company renders services related to contract for disposal of claims. What is more, the Company is to continue collection of its own claims.

Bielsko-Biała, 31th March, 2018

President of the Board – Krzysztof Knapik

