

**PROFI CREDIT POLSKA S.A.
BIELSKO BIAŁA, UL. BROWARNA 2**

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR FROM
1 JULY 2016 TO 31 DECEMBER 2017**

**WITH
AUDITOR'S REPORT**



A. INTRODUCTION TO FINANCIAL STATEMENT

1. Company profile:

a) Name of the Company

The Company operates under the business name PROFI CREDIT Polska S.A.

b) Registered office

The registered office of the Company is located in Bielsko - Biała 43-300, at the address: ul. Browarna 2.

c) Registration data

Legal form: Joint Stock Company

Entered into the National Court Register kept by the Regional Court in Bielsko-Biała, VIII Economic Division of the National Court Register under the number: KRS 0000518190. The share capital: PLN 793 951 000.00.

Core business: according to PKD [Polish Classification of Activities] 64.92.Z – Other credit granting.

REGON number: 243624011

TAX ID (NIP): 5472151080

d) Board Members

In the period from July 1, 2016 to December 31, 2017 there were no changes in the membership of the Management Board which comprised:

President	David Chour
Vice - President	Sławomir Pawlik
Member	Marek Štejnár
Member	Agnieszka Berkan

e) Supervisory Board

In the period from July 1, 2016 to December 31, 2017 there were following changes in the membership of the Supervisory Board, which comprised:

1. In the period from July 1, 2016 to March 31, 2017:

Chairman	Zdenek Lhotský
Member	Erik Lörinc
Member	Jaromir Vřetečka

2. In the period from March 31, 2017 to July 1, 2017:

Chairman	Zdenek Lhotský
Member	Aleř Obornik
Member	Jaromir Vřetečka

Based on the Resolution No 1 of the Extraordinary Shareholders Meeting dated March 31, 2017 which recalled Mr Erik Lörinc and appointed Mr Aleř Obornik as a Supervisory Board member.

3. In the period from July 1, 2017 to August 16, 2017:

Chairman	Zdenek Lhotský
Member	Aleř Obornik

Due the resignation of Jaromir Vřetečka from the Supervisory Board member position, tendered on June 30, 2017.

4. In the period from August 16, 2017 to December 31, 2017:



Chairman	Zdenek Lhotský
Member	Aleš Obornik
Member	David Staněk

Based on Resolution No 1 of the Extraordinary Shareholders Meeting, dated August 16, 2017 which appointed David Staněk as a Supervisory Board member.

f) Main activity

According to the articles of association, the Company's main activity is granting loans to individuals and self - employed.

2. Duration period of the Company

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

3. Reporting period

The Company changed its financial year pursuant to resolution no. 1 of the Extraordinary Shareholders' Meeting dated 6 April 2016, i.e. the calendar year was adopted to be the financial year of the Company. Therefore, this financial statement was prepared for the period of 18 months, from 1 July 2016 to 31 December 2017. Comparative data covers the period of 12 months, from 1 July 2015 to 30 June 2016.

4. Internal reporting units

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

5. Going concern basis

The financial statement for the period from 01.07.2016 to 31.12.2017 was prepared on the going concern basis. There is no circumstances that this assumption can be adversely affected in the nearest future covering the period not shorter than one year after the balance-sheet day and there are no circumstances that might adversely affect business continuity. 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.

6. Mergers

In the reporting period the Company did not merge with any other business entity.

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 (the consolidated text - Journal of Laws of 2018, item 395 as amended).

The profit and loss account has been prepared by the Company with classification of expenses by function. The cash flow account has been prepared using the indirect method.

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 20% and 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 or based on the manufacturing cost or the overvalue 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. Financial assets and liabilities

The Company distributes its assets in the following categories: financial assets measured at fair value through profit and loss, financial assets retained until maturity, granted loans and own receivables, financial assets available for sale. As of 31 December 2017 and 30 June 2016, the Company had the following category of financial assets: 'granted loans and own receivables'.

Financial liabilities are classified as the following categories: financial liabilities measured at fair value through profit and loss and other financial liabilities.

The Company recognizes an asset or a liability if it becomes a party to a transaction. Loans and own liabilities are recognized at the moment of making a payment to the borrower.

7.2.6 Financial Assets - loans granted

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 at the balance sheet day at amortised cost, using the effective interest rate method and taking into consideration impairment losses.

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 calculated impairment losses on the classification of loans that is based on criterion of delay in payment of instalments and the probability of default. The amount of impairment loss is calculated as the difference between the balance sheet value of an asset and the value of estimated future cash flows for the overdue receivables portfolios according to their overdue dates.

Impairment losses for the receivables from loans are presented in the profit and loss account as financial costs, and for other receivables, including receivables from default and debt collection costs – as other operating costs.

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

The Company classifies granted loans as short-term (loan instalments due within 12 months from the balance sheet date) or long-term financial assets (loan instalments due within more than 12 months from the balance sheet date).

Receivables from the granted loans are presented as long- and short-term investments.

If the customer is in delay with repayment of the loan instalment, and the agreement is terminated because of delays in repayments, additional default interest is charged and fees on account of debt collection. These items are presented in the financial statement as balance sheet receivables and other operating costs in profit and loss account.

7.2.7 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.

7.2.8 Financial Assets – other short-term and long-term receivables

Other receivables are recognized in the amount due reduced by impairment write-offs. Short-term receivables, to which interest rate was not determined, are valued in the amount of due payment, if the current value of future financial flows expected by the Company does not differ from the amount of required payment, determined by interest rate assigned to such receivable.



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".

7.2.9 Cash Assets - cash and cash equivalents

Cash in bank and in hand and short-term deposits (overnight) 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.

7.2.10 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 no longer than 12 months after the balance sheet date.

The deferred costs and accruals of the Company include in particular:

- Company Social Benefit Fund deduction
- prepaid subscriptions to magazines and other professional publications related to Company business activity
- costs of property and personal insurance concerning future reporting period
- other simple and complex costs borne in the reporting period, which refer to future periods and which, if recognized - due to their value - may distort the financial result and income tax base.

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

Deferred costs and accruals are recognized as contingent liabilities in a given reporting period, which result mainly from services provided to the entity by its service providers, and the amount of liabilities may be valued in a credible manner, as well as in case of future liabilities towards unknown entities (related to current business activity) which may be estimated although the date of liability has not yet been known.

Liabilities recognized as deferred costs and accruals decrease the costs in the reporting period, in which such liabilities did not occur.

Deferred costs and accruals of the Company include in particular:

- financial advisors commissions,
- provisions for future employee benefits recognized as provisions for liabilities (payables).

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.

7.2.11 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 7.2.13), are excluded from the above rule.

7.2.12 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.

7.2.13 Financial Liabilities - loans received

At the moment of initial recognition, the loans are recognized at amount of received cash and including costs of obtaining the loan. They are presented in the financial statement using the amortized cost methodology, considering effective interest rate, whereas costs related with such liabilities are recognised as financial costs in the profit and loss account.

7.2.14 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
- FIFO method 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 National Bank of Poland as at the balance-sheet day. With regard to items in the balance-sheet and P&L Account, expressed in foreign currencies - the following exchange rates were used in valuation:

Valuation day	EUR	CZK
31.12.2017	4,1709	0,1632
30.06.2016	4,4255	0,1636

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.

7.2.15 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.

7.2.16 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 negative 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.

Pursuant to article 37 (7) of the Accounting Act, deferred tax assets and liabilities are offset and presented net in the balance-sheet as deferred tax assets or liabilities accordingly.

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.

7.2.17 Equity

As of the balance sheet day, equity constitute capitals and funds of the Company, created according to applicable law, appropriate Acts and the Company's Articles of Association. The equity is composed of: share capital (fund), supplementary capital (fund), other reserve capitals (funds), adjustments of share capital, profit (loss) from previous years and profit (loss) net.

The share capital (fund) is indicated in the nominal value, determined in the Company's Articles of Association and entered in the Court Register.

The profit (loss) from previous years is created as a result of financial result of the current year and financial results from the previous years, which were not allocated for the other capitals or distributed to shareholders. The supplementary capital (fund) created from profit up to 1/3 share capital (fund), reserve capital (fund), capital (fund) from revaluation and adjustment of equity. The supplementary capital (fund) includes profit distribution and share premium obtained from issue of shares, less expenses related to issuing.

Reserve capital (fund) includes profit distribution and allocations from other sources and may be only allocated for covering future losses.

7.2.18 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.

Net revenues from sold products and services

This item includes revenues from loans granted to customers, which are recognised as at the date of calculating them, using the effective interest rate method (including: interests, service package, margin, upfront fee, arrangement fee) and revenues from payments and debt collection fees from loans with delays in payment.

Other operating revenues

Other operating revenues and costs include revenues not directly related to basic Company's operations. These are in particular: result from sale and liquidation of tangible assets, revenues from sale of other services, received compensations, penalties and fines.

Financial revenues

In this item, the Company presents penalty interests for delay of repayments of loans granted to customers, net with write-downs for receivables from those interests and surplus of positive exchange differences over negative ones.

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.

General administrative expenses

Includes costs not directly related to granting loans to customers – outsourced services, taxes and payments, remunerations, insurances, and other provisions, amortisation, consumption of materials and energy, as well as commissions of sales and debt collection networks.

Other operational costs

Include costs of impairment of receivables to customers for delays in payment of loan instalments, costs of court fees and other costs related to debt collection.



Financial costs

This item presents impairment of receivables from loans granted to customers and from interest for delay in repayment of loans, interests costs from received loans facilities and credits, guarantee costs, costs of credit lines and surplus of negative exchange differences over positive ones.

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 (PLN)

Lp.	ASSETS	As at 31.12.2017r.	As at 30.06.2016r.
A	NON - CURRENT ASSETS	234 608 446,65	216 091 180,98
I	Intangible assets	1 193 943,85	749 569,45
1	Reasearch and development	-	-
2	Goodwill	-	-
3	Other intangible assets	1 193 943,85	749 569,45
4	Advance payments for intangible assets	-	-
II	Property, plant & equipment	6 380 242,88	5 006 803,36
1	Tangible fixed assets	5 459 671,36	4 896 226,51
a	Land (including rights of perpetual usufruct)	-	-
b	Buildings, premises, land and constructions	275 597,27	-
c	Plant and machinery	2 353 635,56	1 945 041,63
d	Motor vehicles	2 785 537,66	2 930 400,10
e	Other fixed assets	44 900,87	20 784,78
2	Construction in progress	920 571,52	110 576,85
3	Advance payments for fixed assets under construction	-	-
III	Long-term receivables	452 364,54	362 511,31
1	From related parties	-	-
2	From other entities, in which the entity has a capital investment	-	-
3	From other entities	452 364,54	362 511,31
IV	Long-term investments	224 270 402,22	204 808 353,08
1	Real estate	-	-
2	Intangible assets	-	-
3	Long-term financial assets	224 270 402,22	204 808 353,08
a	in related parties	-	-
	-shares	-	-
	-bonds and other commercial papers	-	-
	-granted loans	-	-
	-other long-term financial assets	-	-
b	In the other entities, in which the entity has a capital investment	-	-
	-shares	-	-
	-bonds and other commercial papers	-	-
	-granted loans	-	-
	-other long-term financial assets	-	-
c	in other entities	224 270 402,22	204 808 353,08
	-shares	-	-
	-bonds and other commercial papers	-	-
	-granted loans	224 270 402,22	204 808 353,08
	-other long-term financial assets	-	-
4	Other long-term investments	-	-
V	Long-term prepayments	2 311 493,16	5 163 943,78
1	Deferred tax assets	-	-
2	Other prepayments	2 311 493,16	5 163 943,78



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Lp.	ASSETS	As at 31.12.2017r.	As at 30.06.2016r.
B	CURRENT ASSETS	802 977 130,28	661 192 326,48
I	Inventory		
1	Materials	353,70	2 855,51
2	Work in progress	353,70	2 855,51
3	Finished products	-	-
4	Goods	-	-
5	Advances for deliveries	-	-
II	Short-term receivables		
1	Receivables from related parties:	214 872 365,31	173 864 697,94
a	for supplies and services with repayment period of:		
	- up to 12 months	7 456,62	2 003,03
	- above 12 months	7 456,62	2 003,03
b	other	-	-
2	Receivables from other entities, in which the entity has a capital investment	-	-
a	for supplies and services with repayment period of:		
	- up to 12 months	-	-
	- above 12 months	-	-
b	other	-	-
3	Receivables from other entities	214 864 908,69	173 862 694,91
a	for supplies and services with repayment period of:		
	- up to 12 months	1 224 715,15	528 251,74
	- above 12 months	1 224 715,15	528 251,74
b	taxes, donations, customs duties, social and health insurance, other	-	-
c	other	213 640 193,54	173 334 443,17
d	pursued through courts	-	-
III	Short-term investments		
1	Short-term financial assets	585 923 953,27	486 026 374,66
a	in related parties	585 923 953,27	486 026 374,66
	-shares	-	-
	-bonds and other commercial papers	-	-
	-granted loans	-	-
	-other short-term financial assets	-	-
b	in other entities	560 875 687,81	470 798 227,32
	-shares	-	-
	-bonds and other commercial papers	-	-
	-granted loans	560 875 687,81	470 798 227,32
	-other short-term financial assets	-	-
c	cash and other cash equivalents		
	- cash in hand and on bank accounts	25 048 265,46	15 228 147,34
	- other cash	24 782 561,37	15 213 147,34
	- other cash equivalents	-	-
		265 704,09	15 000,00
2	Other short-term investments	-	-
IV	Short-term prepayments	2 180 458,00	1 298 398,37
C	DUE PAYMENTS FOR SHARE CAPITAL (FUND)	-	-
D	OWN SHARES (STOCKS)	-	-
	TOTAL ASSETS	1 037 585 576,93	877 283 507,46

Balance sheet as of 31 December 2017 (PLN)

Lp.	LIABILITIES	As at 31.12.2017r.	As at 30.06.2016r.
A	EQUITY	329 994 496,17	273 144 112,73
I	Share capital	793 951 000,00	793 951 000,00
II	Supplementary capital, incl:	99 891 049,98	92 186 903,98
	- surplus of sale value (issue value) over nominal value of shares (stocks)	-	-
III	Capital from revaluation, incl:	-	-
	- from fair value adjustment	-	-
IV	Called up share capital, incl:	135 454 968,03	72 857 298,00
	- created pursuant to the Company's Deed (Articles of Association)	135 454 968,03	72 857 298,00
	- for own shares (stocks)	-	-
IV.A	Other reserve capitals	- 782 152 905,28	- 782 152 905,28
V	Profit (loss) from the previous years	-	-
VI	Net profit (loss)	82 850 383,44	96 301 816,03
VII	Deductions from net profit during financial year	-	-
B	LIABILITIES AND RESERVES FOR LIABILITIES	707 591 080,76	604 139 394,73
I	Reserves for liabilities	5 689 303,11	4 834 595,05
1	Reserve for deferred income tax	-	-
2	Reserve for retirement pensions and similar payments	47 914,89	29 270,08
	- long-term	47 914,89	29 270,08
	- short-term	-	-
3	Other reserves	5 641 388,22	4 805 324,97
	- long-term	117 020,73	158 867,74
	- short-term	5 524 367,49	4 646 457,23
II	Long-term liabilities	554 739 908,69	485 521 129,92
1	To related parties	457 618 468,83	-
a	from loans	457 618 468,83	-
2	In relation to other entities, in which the entity has a capital investment	-	-
3	To other entities	97 121 439,86	485 521 129,92
a	from loans	96 611 383,07	484 873 869,26
b	from issue of bonds and other commercial papers	-	-
c	other financial liabilities	-	-
d	other long term liabilities	-	-
e	other	510 056,79	647 260,66



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Lp.	LIABILITIES	As at 31.12.2017r.	As at 30.06.2016r.
III	Short-term liabilities	143 033 674,67	111 975 743,53
1	To related parties	19 341 696,01	6 528 951,44
a	to suppliers	1 411 601,68	673 211,17
	- up to 12 months	1 411 601,68	673 211,17
	- above 12 months	-	-
	credits and loans	17 930 094,33	5 855 740,27
b	other	-	-
2	Liabilities to other units, in which the entity has a capital investment	-	-
a	to suppliers	-	-
	- up to 12 months	-	-
	- above 12 months	-	-
b	other	-	-
3	To other entities	123 666 477,62	105 230 396,39
a	credits and loans	114 188 034,34	94 903 439,13
b	issuance of debt securities	-	-
c	other financial liabilities	-	-
d	for supplies and services with payment period of:	-	-
	- up to 12 months	4 075 921,24	4 829 340,02
	- above 12 months	4 075 921,24	4 829 340,02
e	received advanced payments for supplies	-	-
f	exchange liabilities	-	-
g	taxes, customs duties, insurances and other payments	2 800 075,97	2 950 394,16
h	remunerations	1 572 258,23	1 544 519,92
i	other	1 030 187,84	1 002 703,16
4	Special funds	25 501,04	216 395,70
IV	Prepayments	4 128 194,29	1 807 926,23
1	Negative value of the company	-	-
2	Other prepayments	4 128 194,29	1 807 926,23
	long-term	-	-
	short-term	4 128 194,29	1 807 926,23
TOTAL LIABILITIES		1 037 585 576,93	877 283 507,46

Chief Accountant Lucyna Babicka

President David Chour

Vice President Sławomir Pawlik

Member Marek Štejnár

Member Agnieszka Berkan





Profit and loss account for the period of 18 months ending 31 December 2017 (PLN)

Lp.		01.07.16-31.12.17r.	01.07.15-30.06.16r.
A	Net sales revenues, incl:	692 529 985,74	476 167 907,80
	- from related parties	-	-
I	Net revenues from sale of products and services	692 529 985,74	476 167 907,80
II	Net revenues from sale of goods and materials	-	-
B	Costs of sold products, goods, and materials, incl:	-	-
	- to related parties	-	-
I	Cost of production of sold products	-	-
II	Value of sold goods and materials	-	-
C	Sales profit (loss) gross(A-B)	692 529 985,74	476 167 907,80
D	Cost of sales	-	-
E	General administrative expenses	182 599 129,39	118 180 613,67
F	Sales profit (loss) gross (C-D-E)	509 930 856,35	357 987 294,13
G	Other operating revenues	384 653,97	217 730,70
I	Gain of disposal of fixed assets	181 256,50	82 049,17
II	Donations	-	-
III	Revaluation of non-financial assets	-	-
IV	Other operating revenues	203 397,47	135 681,53
H	Other operating costs	116 764 148,77	96 532 680,06
I	Loss from disposal of fixed assets	-	-
II	Revaluation of fixed assets	-	-
III	Other operating costs	116 764 148,77	96 532 680,06
I	Operating profit (loss) (F+G-H)	393 551 361,55	261 672 344,77
J	Financial revenues	29 742 948,07	22 300 950,34
i	Dividends and share in profits, incl:	-	-
a	- from related parts, incl:	-	-
	- in which the entity has a capital investment	-	-
b	- from other, incl:	-	-
	- in which the entity has a capital investment	-	-
II	Interest, incl:	23 896 168,84	22 300 950,34
	- from related parts	-	-
III	Gain of disposal of investments, incl:	-	-
	- in related parts	-	-
IV	Revaluation of investments	-	-
V	Other	5 846 779,23	-
K	Financial costs	340 443 926,18	180 567 640,02
I	Interest	120 829 845,26	78 153 046,47
	- for related parts	12 451 066,36	733 963,37
II	Loss from disposal of investment	-	-
	- in related parts	-	-
III	Revaluation of investments' value	210 765 188,83	65 346 378,01
IV	Other	8 848 892,09	37 068 215,54
L	Gross profit (loss) (I+J-K)	82 850 383,44	103 405 655,09
M	Income tax	-	7 103 839,06
N	Other mandatory decrease of profit (loss)	-	-
O	Net profit (loss) (L-M-N)	82 850 383,44	96 301 816,03



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President	David Chour
Vice President	Sławomir Pawlik
Member	Marek Štejnár
Member	Agnieszka Berkan

Statement of changes in equity for the period 01.07.2016 - 31.12.2017 (PLN)

		01.07.16-31.12.17r.	01.07.15-30.06.16r.
I	Equity at the beginning of the period (BO)	273 144 112,73	186 742 296,70
	- changes of accounting principles (policy)	-	-
	- adjustments of errors	-	-
I.a	Owners' equity at the beginning of the period (OB), after adjustments	273 144 112,73	186 742 296,70
1	Share Capital at the beginning of the period	793 951 000,00	793 851 000,00
1.1	Changes in share capital	-	100 000,00
a	Increasing (for)	-	100 000,00
	- share release (issuing stocks)	-	-
b	Decreasing (for)	-	-
	- cancellation of shares (stocks)	-	-
1.2	Share Capital at the end of the period	793 951 000,00	793 951 000,00
2	Supplementary Capital at the beginning of the period	92 186 903,98	84 981 921,02
2.1	Changes in Supplementary Capital	-	-
a	Increasing (for)	7 704 146,00	7 204 982,96
	- issuing shares above nominal value	-	-
	- profit sharing	7 704 146,00	7 204 982,96
	- distribution of profit (above minimal statutory value)	-	-
b	Decreasing (for)	-	-
	- covering the loss	-	-
2.2	Supplementary Capital at the end of the period	99 891 049,98	92 186 903,98
3	Revaluation capital (fund) as of the beginning of the period – changes of assumed accounting principles (policy)	-	-
3.1	Changes of capital (fund) from revaluation capital	-	-
a	Increasing (for)	-	-
b	Decreasing (for)	-	-
	- sale of tangible assets	-	-
3.2	Revaluation capital (fund) as of the end of the period	-	-
4	Other reserve capitals (funds) as of the beginning of the period	72 857 298,00	-
4.1	Changes of other reserve capitals (funds)	62 597 670,03	72 857 298,00
a	Increasing for profit distribution	62 597 670,03	72 857 298,00
b	Decreasing	-	-
4.2	Other reserve capitals (funds) as of the end of the period	135 454 968,03	72 857 298,00
6.	Equity adjustment as at the end of the period	- 782 152 905,28	-782 152 905,28
6.1	Changes in equity adjustment	-	-
6.2	Correction of equity at the end of the period	- 782 152 905,28	-782 152 905,28
5	Profit (Loss) from previous years as at the beginning of the period	96 301 816,03	90 062 280,96
5.1	Profit from previous years as of beginning of the period	96 301 816,03	90 062 280,96
	- changes of assumed accounting principles (policy)	-	-
	- adjustments of errors	-	-
5.2	Profit from the previous years as of beginning of the period, after amendments	96 301 816,03	90 062 280,96
a	Increasing (for)	-	-
	- distribution of profit from the previous years	-	-
b	Decreasing (for)	- 96 301 816,03	- 90 062 280,96
	- distribution of profit from the previous years – supplementary capital	- 7 704 146,00	- 7 204 982,96
	- distribution of profit from the previous years – reserve capital	- 62 597 670,03	- 72 857 298,00

	- dividend	- 26 000 000,00	- 10 000 000,00
5.3	Profit from the previous years as of the end of the period	-	-
5.4	Loss from the previous years as of beginning of the period	-	-
	- changes of assumed accounting principles (policy)	-	-
	- adjustments of errors	-	-
5.5	Loss from previous years as of beginning of the period, after amendments	-	-
a	Increasing (for)	-	-
	- retained loss brought forward for covering	-	-
b	Decreasing (for)	-	-
5.6	Loss from previous years as of the end of the period	-	-
5.7	Profit (loss) from previous years as of the end of the period	-	-
6	Net result	82 850 383,44	96 301 816,03
a	Net profit	82 850 383,44	96 301 816,03
b	Net loss	-	-
c	Profit distribution	-	-
II	Equity as at the end of the year (BZ)	329 994 496,17	273 144 112,73
III	Equity after proposed profit distribution	329 994 496,17	273 144 112,73

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Member Agnieszka Berkan



Cash flow account (indirect method) for the period ending on 31 December 2017 (in PLN)

Lp.		01.07.16-31.12.17r.	01.07.15-30.06.16r.
A	Net cash flows from operating activities		
I	Net Profit (Loss)	82 850 383,44	96 301 816,03
II	Adjustments:	-	-
1	Depreciation	15 646 477,41	91 223 151,25
2	Foreign currency exchange gains (losses)	3 604 281,41	2 122 082,98
3	Interests and share in profits (dividends)	5 846 779,23	30 566 433,90
4	Gains (or losses) from investing activities	120 829 845,26	78 153 046,47
5	Change in provisions	-	-
6	Change in inventories	717 504,18	6 125 760,93
7	Change in receivables	2 501,81	2 128,51
8	Change in short-term liabilities, exclusive of loans and credits	- 150 637 030,23	- 208 881 889,45
9	Change in accruals and prepayments	- 301 018,12	116 118,93
10	Other adjustments	4 290 659,05	577 423,50
		-	-
III	Net cash flows from operating activities (I + -II)	67 203 906,03	5 078 664,78
B	Cash flows from investing activities		
I	Inflows		
1	Disposal of intangible and tangible fixed assets	-	-
2	Disposal of investments in real property and intangible assets	-	-
3	From financial assets, incl:	-	-
a	in affiliated entities	-	-
b	in other entities	-	-
	- disposal of financial assets	-	-
	- dividend and profit sharing	-	-
	- repayment of long-term loans	-	-
	- interests	-	-
	- other inflows from financial assets	-	-
4	Other inflows from investment activities	-	-
II	Outflows		
1	Purchase of intangible assets and tangible fixed assets	5 422 095,33	1 611 293,38
2	Investments in real property and intangible assets	5 422 095,33	1 611 293,38
3	For financial assets, including:	-	-
a	in affiliated entities	-	-
b	in other entities	-	-
	- purchase of financial assets	-	-
	- long-term loans granted	-	-
4	Other outflows from investment activities	-	-
III	Net cash flows from investment activities (I - II)	- 5 422 095,33	- 1 611 293,38
C	Cash flows from financial activities		
I	Inflows		
1	Net inflows from issuance of shares and other capital instruments	885 667 417,72	247 204 871,41
2	Credits and loans	-	100 000,00
3	Other inflows from financial activities	885 667 417,72	247 104 871,41
4	Other financial inflows	-	-
II	Outflows		
1	Purchase of own shares	- 937 629 110,30	- 244 547 486,84
2	Dividend and other payments to shareholders	-	-
3	Profit distribution liabilities other than profit distribution payments to shareholders	- 26 000 000,00	- 10 000 000,00
		-	-





4	Repayment of credits and loans	- 797 517 616,24	- 156 322 338,37
5	Redemption of debt securities	-	-
6	Payment of other financial liabilities	-	-
7	Payment of liabilities arising from financial leases	-	-
8	Interests	- 114 111 494,06	- 78 225 148,47
9	Other outflows from financial activities	-	-
III	Net cash flows from financial activities (I - II)	- 51 961 692,58	2 657 384,57
D	Total net cash flows (A.III+-B.III+-C.III)	9 820 118,12	6 124 755,97
E	Balance sheet change in cash, incl:	9 820 118,12	6 124 755,97
	- change in cash due to exchange differences	-	-
F	Cash opening balance	15 228 147,34	9 103 391,37
G	Closing balance of cash (D+-F), incl:	25 048 265,46	15 228 147,34
	- of limited disposability	25 501,04	216 395,70

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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 financial statement was prepared no significant events concerning previous years occurred that should have been recognized in the accounting books for 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 day that would have to be included, and were not included in the financial statement in a particular trading year.

3. Change of accounting principles during the financial year

The Company has not changed the accounting principles during the financial year.

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

The financial and tax year of the Company was changed back to the calendar year on basis of Resolution No1788/2016 dated 06.04.2016 of the General Shareholders Meeting. As a consequence, the first reporting period after this decision constitutes 18 months from July 1 2016 to December 31, 2017.

The comparatives for the preceding year presented in the Financial statements are for the 12 months reporting period from July 1, 2015 to June 30, 2016

Change of presentation in the financial statement

The Company changed presentation of guarantee fees related to pledge of the credit lines for more adequate presentation of the value below. These costs were taken from other operating costs to financial costs respectively in the amount of 5 232 563.63 for current reporting period and 3 552 153.82 for the previous reporting period.

Lp.		01.07.15-30.06.16r. Transformed comparatives	01.07.15-30.06.16r. Comparatives from approved Financial Statement	Difference on presentation change
H	Other operating costs	96 532 680,06	100 084 833,88	- 3 552 153,82
I	Loss from disposal of fixed assets	-	-	-
II	Revaluation of fixed assets	-	-	-
III	Other operating costs	96 532 680,06	100 084 833,88	- 3 552 153,82
I	Operating profit (loss) (F+G-H)	261 672 344,77	258 120 190,95	3 552 153,82
K	Financial costs	180 567 640,02	177 015 486,20	3 552 153,82
I	Interest	78 153 046,47	78 153 046,47	-
	- for related parties	733 963,37	733 963,37	-
II	Loss from disposal of investment	-	-	-
	- in related parts	-	-	-
III	Revaluation of investments' value	65 346 378,01	65 346 378,01	-
IV	Other	37 068 215,54	33 516 061,72	3 552 153,82
L	Gross profit (loss) (I+J-K)	103 405 655,09	103 405 655,09	-
M	Income tax	7 103 839,06	7 103 839,06	-
N	Other mandatory decrease of profit (loss)	-	-	-
O	Net profit (loss) (L-M-N)	96 301 816,03	96 301 816,03	-



5. Intangible assets and tangible fixed assets

a) Groups of fixed assets and intangible assets and their changes:

		GROUP	As at 31.12.2017r.	As at 30.06.2016r.
Intangible Assets		WNIP	1 193 943,85	749 569,45
GROSS VALUE	Amount at the beginning of period		1 689 075,26	1 279 537,22
	increases		890 822,95	409 538,04
	decreases		-	-
Amount at the end of period			2 579 898,21	1 689 075,26
AMORTISATI ON	Amount at the beginning of period		939 505,81	740 411,55
	increases		446 448,55	199 094,26
	decreases		-	-
Amount at the end of period			1 385 954,36	939 505,81
Tangible fixed assets			5 459 671,36	4 896 226,51
<i>Buildings, premises and construction</i>		<i>I</i>	<i>275 597,27</i>	<i>-</i>
GROSS VALUE	Amount at the beginning of period		-	-
	increases		276 658,78	-
	decreases		-	-
Amount at the end of period			276 658,78	-
AMORTISATI ON	Amount at the beginning of period		-	-
	increases		1 061,51	-
	decreases		-	-
Amount at the end of period			1 061,51	-
<i>Plant and machinery</i>		<i>IV</i>	<i>2 061 554,50</i>	<i>1 723 460,98</i>
GROSS VALUE	Amount at the beginning of period		3 844 266,52	2 908 496,35
	increases		1 269 675,96	979 560,51
	decreases		563 724,65	43 790,34
Amount at the end of period			4 550 217,83	3 844 266,52
AMORTISATI ON	Amount at the beginning of period		2 120 805,54	1 706 302,87
	increases		915 490,42	449 129,14
	decreases		547 632,63	34 626,47
Amount at the end of period			2 488 663,33	2 120 805,54
<i>Technical equipment</i>		<i>VI</i>	<i>292 081,06</i>	<i>221 580,65</i>
GROSS VALUE	Amount at the beginning of period		412 735,04	376 800,55
	increases		133 307,94	37 287,47
	decreases		9 859,00	1 352,98
Amount at the end of period			536 183,98	412 735,04
AMORTISATI ON	Amount at the beginning of period		191 154,39	156 597,70
	increases		62 342,72	35 909,67
	decreases		9 394,19	1 352,98
Amount at the end of period			244 102,92	191 154,39
<i>Motor vehicles</i>		<i>VII</i>	<i>2 785 537,66</i>	<i>2 930 400,10</i>
GROSS VALUE	Amount at the beginning of period		4 577 301,88	5 717 326,51
	increases		2 306 539,68	545 608,36
	decreases		1 479 398,72	1 685 632,99
Amount at the end of period			5 404 442,84	4 577 301,88

AMORTISACJA	Amount at the beginning of period		1 646 901,78	1 533 594,60
	increases		2 006 105,60	1 253 331,81
	decreases		1 034 102,20	1 140 024,63
	Amount at the end of period		2 618 905,18	1 646 901,78
Tools		VIII	44 900,87	20 784,78
GROSS VALUE	Amount at the beginning of period		1 891 668,85	1 701 949,26
	increases		196 948,70	189 719,59
	decreases		1 790 108,85	-
	Amount at the end of period		298 508,70	1 891 668,85
AMORTISACJA	Amount at the beginning of period		1 870 884,07	1 686 265,97
	increases		172 832,61	184 618,10
	decreases		1 790 108,85	-
	Amount at the end of period		253 607,83	1 870 884,07
Fixed assets under construction			920 571,52	110 576,85
Advances for fixed assets			-	-

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

Expenditures		Posted in the current year	Planned for the next year
1	Intangible assets	890 822,95	1 119 690,00
2	Tangible fixed assets	3 986 182,36	3 443 543,30
	- including assets related to environmental protection	-	-
3	Tangible fixed assets under construction	920 571,52	-
	- including assets related to environmental protection	-	-
4	Advances for tangible fixed assets under construction	-	-
5	Investments in real property and rights	-	-
IN TOTAL		5 797 576,83	4 563 233,30

b) Value of land used on the basis of right of perpetual usufruct

The Company did not possess any such land during the current and previous reporting period.

c) 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 as of 31 December 2017

No assets of that kind as of 31 December 2017

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

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

6. Investments (loans granted) long- and short-term

Long and short-term investments, excluding monetary assets and other cash equivalents include loan receivables from customers.



Investments (PLN)	As at 31.12.2017r.	As at 30.06.2016r.
Shares		
Loans granted (gross)	1 635 077 886,93	1 254 863 409,36
Impairment	- 378 115 432,20	- 167 350 243,37
Effective interest rate adjustment	- 471 816 364,70	- 411 906 585,59
Net value	785 146 090,03	675 606 580,40
long-term	224 270 402,22	204 808 353,08
short-term	560 875 687,81	470 798 227,32

Impairment (PLN)	1.07.2016 - 31.12.2017	1.07.2015 - 30.06.2016
As of 1 July	167 350 243,37	353 193 431,00
Increases	210 765 188,83	-
Transfer as a result of demerger	-	-
Utilization	-	-
Solution	-	- 185 843 187,63
As of 30 June	378 115 432,20	167 350 243,37

Receivables from revenues from loans granted to customers, charged and not paid as of the balance sheet day in the reporting period and the preceding period were due in a range up to 3 months.

7. Short and long term receivables

Short and long term receivables (PLN)	As at 31.12.2017r.	As at 30.06.2016r.
Long term receivables, incl:	452 364,54	362 511,31
Receivables from affiliated units	-	-
Receivables from other units	452 364,54	362 511,31
Impairment	-	-
Long term receivables net	452 364,54	362 511,31
Short term receivables, incl:	898 284 292,31	650 275 079,25
Receivables from affiliated units	7 456,62	2 003,03
Receivables from other units, incl:	214 864 908,69	173 862 694,91
Receivables from other units	1 224 715,15	528 251,74
Receivables resulting from taxes, subsidies, duties, social security, health insurance	-	-
Other net, incl:	213 640 193,54	173 334 443,17
Other receivables	253 783,13	184 517,90
Receivables from penalties	896 798 337,41	649 560 306,58
Impairment	- 683 411 927,00	- 476 410 381,31
Short term receivables net	214 872 365,31	173 864 697,94

Impairment (PLN)	01.07.2016 - 31.12.2017	01.07.2015 - 30.06.2016
State at the beginning of the period	476 410 381,31	348 244 080,02
Increases, incl:	207 001 545,69	128 166 301,29
increases related to penalty interest receivables	110 507 345,94	42 458 216,91
increases related to other receivables due to termination of loan contracts	96 494 199,75	85 708 084,38
Transfer as a result of demerger	-	-
Utilization	-	-
Solution	-	-
Write offs	-	-
State at the end of the period	683 411 927,00	476 410 381,31

8. Equity

In the reporting period there were no changes in the share capital of the Company. PROFIREAL GROUP SE owns 100% of shares.

No.	SHAREHOLDER	NUMBER OF SHARES OF CERTAIN TYPE			NOMINAL VALUE OF SHARES	PERCENTAGE OF SHARES HELD BY A SHAREHOLDER IN THE SHARE CAPITAL
		ORDINARY	PREFERENCE	OTHER		
1.	PROFIREAL GROUP SE A Series	1.000			100.000,00	100%
2.	PROFIREAL GROUP SE B Series	7.937.510			793.751.000,00	
3.	PROFIREAL GROUP SE C Series	1.000			100.000,00	
	In total	7.939.510	-	-	793.951.000,00	100%

9. Distribution of net profit for the financial year

Up to the date of the Financial Statement sin off, the Management Board has not made recommendation to the GSM on the proposed net profit distribution for the financial year.



10. Provisions

Provisions (PLN)	As at 31.12.2017r.	As at 30.06.2016r.
Provision resulting from deferred income tax	-	-
Long-term provision for retirement benefits	47 914,89	29 270,08
Short-term provision for retirement benefits	-	-
Other long-term provisions	117 020,73	158 867,74
Provision for brokerage fees	117 020,73	158 867,74
Other short-term provisions	5 524 367,49	4 646 457,23
Provision for settlement of disputes	1 015 258,76	3 200 039,12
Provision for warranty fees	2 955 916,97	-
Provision for trade mark license fee	254 010,75	114 401,20
Provision for brokerage fees	1 299 181,01	1 332 016,91
The sum of reserves	5 689 303,11	4 834 595,05

Change in provisions during the year

Provisions	Opening Balance 01.07.2016	Increasing	Decrease	Usage	Closing Balance 31.12.2017
Provision resulting from deferred income tax	-	-	-	-	-
Long-term provision for retirement benefits	29 270,08	18 644,81	-	-	47 914,89
Short-term provision for retirement benefits and similar short-term items	-	-	-	-	-
Other long-term provisions	158 867,74	-	-	41 847,01	117 020,73
Other short-term provisions, incl:	4 646 457,23	5 842 717,58	1 168 292,16	3 796 515,16	5 524 367,49
Provision for settlement of disputes	3 200 039,12	1 220 309,47	1 168 292,16	2 236 797,67	1 015 258,76
Provision for warranty fees	-	2 955 916,97	-	-	2 955 916,97
Provision for trade mark license fee	114 401,20	367 310,13	-	227 700,58	254 010,75
Provision for brokerage fees	1 332 016,91	1 299 181,01	-	1 332 016,91	1 299 181,01
Total	4 834 595,05	5 861 362,39	1 168 292,16	3 838 362,17	5 689 303,11





Provisions	Opening Balance 01.07.2015	Increasing	Decrease	Usage	Closing Balance 30.06.2016
Provision resulting from deferred income tax	50 934 048,45	-	50 934 048,45		-
Long-term provision for retirement benefits	18 996,51	10 273,57	-	-	29 270,08
Short-term provision for retirement benefits and similar short-term items	-	-	-	-	-
Other long-term provisions	176 972,22	-	-	18 104,48	158 867,74
Other short-term provisions, incl:	4 658 886,95	1 684 220,11	-	1 696 649,83	4 646 457,23
Provision for settlement of disputes	3309771,5	237 802,00	-	347 534,38	3 200 039,12
Provision for warranty fees	78 184,87	-	-	78 184,87	-
Provision for trade mark license fee	130 426,39	114 401,20	-	130 426,39	114 401,20
Provision for brokerage fees	1 140 504,19	1 332 016,91	-	1 140 504,19	1 332 016,91
Total	55 788 904,13	1 694 493,68	50 934 048,45	1 714 754,31	4 834 595,05

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.

11.1. Payables from loans and leasing

Payables from loans and leasing (PLN)	As at 31.12.2017r.	As at 30.06.2016r.
Long term credits and loans	686 347 980,57	585 633 048,66
Payable up to 1 year	132 118 128,67	100 759 179,40
payable over 1 year	554 229 851,90	484 873 869,26
Financial leasing	1 475 082,24	1 596 381,24
Payable up to 1 year	965 025,45	949 120,58
payable over 1 year	510 056,79	647 260,66
Total long term payables	687 823 062,81	587 229 429,90

Liabilities from financial leasing are presented in the balance sheet in the line 'Liabilities and reserves for liabilities', item „Other” B.II.2.d liabilities (long-term) and B.III.2.1 (short-term).

Long-term liabilities payable in the following periods from the balance sheet date:

Lp.	Financial liabilities	As at 31.12.2017				As at 30.06.2016			
		Less than 1 year*)	More than 1 year and less than 3 years	More than 3 years and less than 5 years	More than 5 years	Less than 1 year*)	More than 1 year and less than 3 years	More than 3 years and less than 5 years	More than 5 years
1	Payables to related parties	17 930 094,33	-	-	457 618 468,83	5 855 740,27	-	-	-
a	Credits and loans	17 930 094,33	-	-	457 618 468,83	5 855 740,27	-	-	-
2	Payables to other parties	115 153 059,79	97 121 439,86	-	-	95 852 559,71	103 838 126,24	381 683 003,68	-
a	Credits and loans	114 188 034,34	96 611 383,07	-	-	94 903 439,13	103 190 865,58	381 683 003,68	-
b	Other financial liabilities, including financial lease	965 025,45	510 056,79	-	-	949 120,58	647 260,66	-	-
	Total	133 083 154,12	97 121 439,86	-	457 618 468,83	101 708 299,98	103 838 126,24	381 683 003,68	-



*) Liabilities less than 1 year are presented in short-term liabilities

On the basis of three-party agreement, concluded on 7 November 2017 between the companies: Netherlands Mezzanine Fund B.V. (NMF), Profi Credit Funding B.V. and the Company, credit agreements that relate to line granted to Profi Credit Polska S.A. by NMF were transferred in total to the related party - company Profi Credit Funding BV.

Costs for granted loans and credits, accrued and not paid as of the balance sheet day in the reporting period and preceding period were in the range up to 3 months.

11.2. Other short-term payables

Other payables (PLN)	As at 31.12.2017r.	As at 30.06.2016r.
Short term payables incl:		
Payables to related units, incl:	1 411 601,68	673 211,17
Trade payables	1 411 601,68	673 211,17
payable up to 1 year	1 411 601,68	673 211,17
payable over 1 year	-	-
Payables to Affiliated units, incl:	8 538 918,87	9 594 232,38
Trade payables	4 075 921,24	4 829 340,02
payable up to 1 year	4 075 921,24	4 829 340,02
payable over 1 year	-	-
Payables resulting from taxes, duties and social security	2 800 075,97	2 950 394,16
Payables to employees	1 572 258,23	1 544 519,92
Other payables	65 162,39	53 582,58
Special funds	25 501,04	216 395,70
Total payables	9 950 520,55	10 267 443,55

12. Accruals and prepayments

Accruals and prepayments (PLN)	As at 31.12.2017r.	As at 30.06.2016r.
Long-term accrued and prepaid expenses - assets, incl:	2 311 493,16	5 163 943,78
- deferred tax assets	-	-
- other accruals and prepayments	2 311 493,16	5 163 943,78
Short term prepaid expenses	2 180 458,00	1 298 398,37
Short term accruals	4 128 194,29	1 807 926,23

13. Payables pledged on the company's assets

As of 31 December 2017 the receivables from loans pledged against credit lines amounted to PLN 1.968.385.688,26

14. Contingent liabilities

On the 12th of June 2015 the Company provided Profi Credit Poland sp z o.o. with a guarantee of payments as may result from proceedings conducted by the President of the Office of Competition and Consumer Protection (OCCP) or from any appeal against the decision of the President of OCCP before the Court of Competition and Consumer Protection, up to 4 MPLN sine die.

On June 23, 2016 based on the condition of the loan agreement signed with Dairewa Finance B.V on 01.03.2016, Profi Credit Polska SA provided Dairewa Finance BV with the guarantee of payments resulting from the loan agreements that Dairewa Finance BV concluded with:

- PROFİ CREDIT Czech a.s.,
- PROFİ CREDIT Bulgaria EOOD;

- PROFİ CREDIT Slovakia s.r.o.:

The guarantee is limited to the maximum amount of EUR 4,000,000,00 cumulatively for all above listed loans. The Company recognizes the aforesaid guarantee as „off-balance sheet payables“.

15. Off balance sheet payables

As of 31 December 2017 the Company has a contingent liability amounting to PLN 21 612 800,00 see note 14.

16. Sales by product

Sales revenues by product were as follows:

Sales by product (PLN)	01.07.16-31.12.17r.	01.07.15-30.06.16r.
Type of activity		
Interest on granted loans	72 535 029,08	47 300 641,46
Revenues from credited insurance costs	212 074 036,08	231 206 361,03
Other revenues related to loan agreements*	223 876 938,90	42 925 797,01
Revenues from the title of costs associated with the termination of contract terms and fees	184 043 981,68	154 735 108,30
Other sales of services	-	-
Other sales of materials and goods	-	-
Total revenues from sales	692 529 985,74	476 167 907,80

* Other revenues related to loan agreements, including: resulting from service fee, margin, upfront fee, arrangement fee.

All the sales revenues in the accounting year ended 31 December 2017 and 30 June 2016 related to the domestic market.

17. Expenses by nature

General administrative expenses (PLN)	01.07.16-31.12.17r.	01.07.15-30.06.16r.
Cost of products for own use		
Depreciation	3 604 281,41	2 122 082,98
Consumption of materials and energy	5 173 448,81	2 941 821,95
External services	70 060 725,12	48 129 720,76
Services related to costs of lease of cars	36 634,57	90 156,15
Services related to costs of premises rent	6 939 029,88	4 050 561,76
Services related to service costs of cars	519 433,51	312 547,39
Services related to postage and banking costs	4 105 111,76	3 068 555,86
Services related to legal and notarial costs	1 411 855,54	1 550 853,95
Services related to recruitment costs	119 672,09	184 191,67
Services related to telecommunication costs	1 507 806,30	858 628,35
Services related to other costs	2 865 859,47	1 828 464,19
Services related to consulting and IT costs	9 031 373,30	6 757 301,51
Services related to debt collection costs	17 888 752,10	10 699 505,74
Services related to costs of financial intermediaries	25 635 196,60	18 728 954,19
Taxes and charges	7 960 586,13	2 886 502,66
Remunerations	61 656 087,16	38 806 396,63
Insurance and other benefits	11 158 510,08	6 573 589,75
Other costs	22 985 490,68	16 720 498,94
Total expenses by nature	182 599 129,39	118 180 613,67

18. Financial expenses

The structure of financial expenses was as follows:

Financial expenses (PLN)	01.07.16-31.12.17r.	01.07.15-30.06.16r.
Interest on received loans	120 829 845,26	78 153 046,47
Including the associated	12 451 066,36	733 963,37
Interest on financial leasing	156 499,80	103 212,77
Impairment of receivables	210 765 188,83	65 346 378,01
Other financial expenses, incl.:	8 692 392,29	36 965 002,77
a) foreign exchange losses	-	30 566 433,90
realised	-	4 937 619,16
unrealised	-	25 628 814,74
b) other	8 692 392,29	6 398 568,87
Guarantee fees	3 459 828,66	2 846 415,05
Cost of credit lines	5 232 563,63	3 552 153,82
Total financial expenses	340 443 926,18	180 567 640,02

19. Financial revenues

The structure of financial revenues was as follows:

Financial revenues (PLN)	01.07.16-31.12.17r.	01.07.15-30.06.16r.
Interest	23 896 168,84	22 300 950,34
other	155 746,75	20 085,15
from related parties	-	-
Including revenues from late payment interests	134 247 768,03	64 739 082,10
Including change for write-downs	- 110 507 345,94	- 42 458 216,91
Other financial revenues, including:	5 846 779,23	-
a) positive exchange rate differences	5 846 779,23	-
realized	- 6 706 822,86	-
unrealized	12 553 602,09	-
b) other	-	-
Total financial revenues	29 742 948,07	22 300 950,34

20. Other operating costs

The structure of other operating costs was as follows:

Other operating costs (PLN)	01.07.16-31.12.17r.	01.07.15-30.06.16r.
Legal charges regarding receivables	-	-
Court fees receivables	10 866 604,56	9 283 500,52
Increase of provisions, including:	-	493 508,09
provisions for unused leave	-	-
provisions for retirement benefits and disability pensions	-	493 508,09
Release, including:	-	1 163 107,71
provisions for unused leave	-	234 322,84
provisions for retirement benefits and disability pensions	-	928 784,87
Other operating costs:	105 897 544,21	87 918 779,16
Impairment of financial assets and investments	96 494 199,75	85 708 084,38
other	9 403 344,46	2 210 694,78
Total operating costs	116 764 148,77	96 532 680,06

21. Other operating revenues

Other operating revenues (PLN)	01.07.16-31.12.17r.	01.07.15-30.06.16r.
Profit on sale of fixed asset	181 256,50	82 049,17
Other operating revenues	203 397,47	135 681,53
Total operating revenues	384 653,97	217 730,70

22. Fixed asset revaluation write-offs

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

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

Not applicable

24. Inventory revaluation write-offs

The Company has made no inventory revaluation write-offs.

25. Income tax

Reconciliation of the financial result to the tax base and income tax presented in the financial statement of Profi Credit Polska SA for the year ending on 31.12.2017 (in PLN).

Gross Profit (Loss)	82 850 383,44
Differences between gross profit and the tax base:	
I. Revenues that, according to tax regulations, are not recognized as taxable income (decrease in tax base)	793 059 244,07
- Interest income not received in cash up to the balance sheet date	74 573 528,04
- exchange differences on valuation of liabilities as of 31.12.2017	63 478 784,93
- other financial revenues – statutory interest	21 758 714,32
- other financial revenues – penalties imposed on intermediaries	7,95
- other financial revenues – court fees	18 449 962,92
- other financial revenues – debt acknowledgement agreements	-
- revenue on sales of insurance products recognized in the current year	212 074 036,08
- other financial revenues – letters to the clients	3 305 394,54
- other financial revenues – APR	542 515,06
- other financial revenues – other collection costs	38 640 255,69
- other financial revenues – bailiffs' costs	6 104 939,27
- other financial revenues – lawyer fees	109 517 958,53
- other financial revenues – released provisions for intermediaries commission	537 397,61
- other financial revenues – other non taxable	244 075 749,13
II Tax revenues not recognized as accounting revenues in the financial year (increase in tax base)	446 388 069,30
• plus interest paid by clients	82 670 583,62
• plus interest paid by clients	13 043 964,00
• plus interest paid by clients	253 328 749,24
• plus interest paid by clients	23 191 306,75
• plus arrangement fee paid	12 876 588,00
• plus penalties paid	1 089 529,09
• plus statutory interest paid	18 381 841,23
• plus court fees paid	3 619 704,54



• plus debt acknowledgement costs paid	-3 079,89
• plus costs of correspondance to the clients paid	3 210 306,22
• plus APR paid	4 416 679,38
• plus othet collection costs paid	17 562 940,22
• plus bailiffs costs paid	1 566 863,14
• plus lawyers ' fees paid	22 549 376,40
• plus insurance revenues received in cash	-11 138 673,64
• plus other revenues paid	21 391,00
III. Non deductable costs (increase in tax base)	519 780 926,05
- interest on long – term financing	120 794 439,45
- exchange differences on valuation of liabilities as af 31.12.2017	50 925 604,32
- State penalty interest paid	33 605,97
- impairment on receivables and investments	307 259 388,58
- accrued commission costs for intermediaries	13 208 363,71
- other non tax deductable provisions and impairment charges	4 947 582,57
- other costs – finance leasing	195 540,33
-other non tax deductable costs - operating costs	3 487 033,15
- dosnations non tax deductable	-
- accrued costs of social security, PFRON, other,	18 757 728,91
- other	171 639,06
• plus interest on long – term financing paid	42 058,64
IV. Non tax dedcuctable expenses in the tax year (increase in the tax base)	126 105 763,33
• plus social security contribution paid in 2017, related to prior period	9 566 689,95
• plus interest on long – term financing paid and other fees	113 806 529,54
• plus lease installments paid in 2017	2 177 682,30
• plus costs related to the current period ending 31/12/2017 and recognized in the accounting period from 01/01/2018-31/12/2018	-
• minus costs for the accounting period ending 30/06/2016 and recognized in the current accounting period	42 058,64
• payments for Social Security Fund	554 861,54
V. Tax profit / (Loss)	129 854 371,39
VI. Deductions	129 854 371,39
VII. Tax base	0,00
- tax rate	0,19
VIII. Income tax	0,00

Reconciliation of the financial result to the tax base and income tax presented in the financial statement of Profi Credit Polska SA for the year ending on 30.06.2016 (in PLN).

Gross Profit (Loss)	103 405 655,09
Differences between gross profit and the tax base:	
I. Revenues that, according to tax regulations, are not recognized as taxable income (decrease in tax base)	508 229 565,45
- Interest income not received in cash up to the balance sheet date	48 079 634,15
- exchange differences on valuation of liabilities as of 30.06.2016	35 023 508,04
- other financial revenues – statutory interest	21 513 760,34
- other financial revenues – penalties imposed on intermediaries	1 945,61
- other financial revenues – court fees	11 359 009,43
- other financial revenues – debt acknowledgement agreements	-





- revenue on sales of insurance products recognized in the current year	231 206 361,03
- other financial revenues – letters to the clients	7 077 014,54
- other financial revenues – APR	3 344 718,23
- other financial revenues – other collection costs	57 739 434,86
- other financial revenues – bailiffs' costs	2 974 847,97
- other financial revenues – lawyer fees	62 581 496,11
- other financial revenues – released provisions for intermediaries commission	522 175,34
- other financial revenues – other non taxable	26 805 659,80
II Tax revenues not recognized as accounting revenues in the financial year (increase in tax base)	313 365 639,45
• plus interest paid by clients	41 806 512,23
• plus interest paid by clients	2 395 917,00
• plus interest paid by clients	2 015 025,51
• plus interest paid by clients	7 552,40
• plus arrangement fee paid	4 834 867,00
• plus penalties paid	909 500,07
• plus statutory interest paid	9 427 903,23
• plus court fees paid	2 120 288,67
• plus debt acknowledgement costs paid	1 787,75
• plus costs of correspondence to the clients paid	1 658 082,88
• plus APR paid	2 601 614,98
• plus other collection costs paid	8 930 944,16
• plus bailiffs costs paid	754 347,10
• plus lawyers' fees paid	9 433 699,03
• plus insurance revenues received in cash	226 467 597,44
• plus other revenues paid	-
III. Non deductible costs (increase in tax base)	304 329 009,94
- interest on long – term financing	78 148 633,39
- exchange differences on valuation of liabilities as of 30.06.2016	60 534 886,72
- State penalty interest paid	2 699,50
- impairment on receivables and investments	151 054 462,39
- accrued commission costs for intermediaries	3 519 323,18
- other non tax deductible provisions and impairment charges	826 645,31
- provision for pension fund and similar provisions	-669 599,62
- other costs – finance leasing	111 352,07
- other non tax deductible costs - operating costs	1 781 176,42
- donations non tax deductible	-
- accrued costs of social security, PFRON, other,	8 931 974,11
- other	87 456,47
IV. Non tax deductible expenses in the tax year (increase in the tax base)	85 439 799,12
• plus social security contribution paid in 2016, related to prior period	5 592 429,89
• plus interest on long – term financing paid	77 378 587,87
• plus lease installments paid in 2016	1 455 189,16
• plus interest on long – term financing paid	605 501,85
• plus costs related to the current period ending 30/06/2016 and recognized in the next accounting period	42 058,64
• payments for Social Security Fund	366 031,71
V. Tax profit / (Loss)	127 430 939,91

VI. Deductions	127 430 939,91
VII. Tax base	0,00
- tax rate	0,19
VIII. Income tax	0,00

Deferred tax assets/provisions consist of:

Specification (PLN)	As at 31.12.2017r.	As at 30.06.2016r.
I. Deferred tax assets:	83 822 101,57	62 566 467,03
1. Bonuses and social security contributions due	337 494,87	213 637,92
2. Commissions for intermediaries due	269 078,33	283 268,08
3. Provision for pension fund	9 103,83	5 561,32
4. Other provisions	999 756,17	202 542,76
5. Holiday pay accrual	189 660,93	58 384,28
6. Accrued interest on financing facility	194 826,03	1 064 737,50
7. Court cases accrual	192 899,16	243 505,51
8. Financial leasing	-	-
9. Forex losses	3 362 621,82	5 748 288,29
10. Revenues from the sale of products	36 742 720,53	54 026 208,26
11. Deferred tax asset related to the tax loss*	41 523 939,91	720 333,11
II. deferred tax provision	83 822 101,57	62 566 467,03
1. Forex gains	-	-
2. Revenues from loans	26 422 761,84	28 777 907,97
3. Other revenues from loans sale – deferred revenue	16 609 955,44	639 763,56
4. Receivables for calculated costs related to termination of contractual conditions and agreements	40 540 397,77	32 895 331,92
5. Financial leasing	248 986,53	253 463,58

*) Due to uncertainty related to possible recovery/settlement of tax losses in future periods, the Company (likewise in the precedent year) has not created a figure for deferred income tax assets in the full amount in respect of possible settlement of tax loss amounting to PLN 253 356 678,28 where a significant portion resulted from the restructuring process carried out in 2014. The Company has created a figure for a deferred income tax asset in the amount of provision for deferred income tax, i.e. PLN 41 524 K for the audited reporting period (for the previous accounting year, ended on 30.06.2016, the Company created an asset for deferred income tax up to the value of liabilities from deferred income tax, i.e. up to 720 K).

26. Information on revenues, costs and results of operations discontinued in the financial year or scheduled for discontinuation in the next year

During the financial year the Company did not discontinue any type of operations and it does not plan to do so in the next year.

27. Extraordinary gains and losses

In the reporting period and in the previous period, there were no transactions that would result in generating revenues or costs of extraordinary value or occurring incidentally.

28. Structure of cash for cash flow statement

Structure of cash (PLN)	As at 31.12.2017r.	As at 30.06.2016r.
- bank accounts	24 764 396,15	15 176 419,17
- cash in hand	18 165,22	36 728,17
- other cash	-	-
- other monetary assets	265 704,09	15 000,00
TOTAL CASH	25 048 265,46	15 228 147,34

29. 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

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

In the trading year and in the previous reporting period, the Company did not conclude transactions with affiliated parties on other conditions than fair market value.

31. Information regarding personnel

31.1. Average employment

From 01.07.2016 to 31.12.2017 the average employment balance in the Company was 356 people, and in the previous reporting period, i.e. from 01.07.2015 to 30.06.2016 320 people.

31.2. Remunerations of persons being members of management and supervisory bodies.

During the reporting period remuneration was paid cumulatively to:

- Board Members PLN 211 067,13
- Members of the Supervisory Board PLN 42 475,13

During the precedent period remuneration was paid (in total) to:

- Board Members PLN 226 267,05
- Members of the Supervisory Board PLN 25 071,13

31.3. 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.

31.4. Remuneration of certified auditor or entity authorized to examine financial statements, paid or due for the financial year (gross).

- Statutory audit of annual financial statement EUR 15.000 +VAT
- Other auditing services EUR 20.000+VAT

Remuneration of a certified auditor or an entity authorized to audit financial statement paid in the precedent financial year (gross)

- Statutory audit of annual financial statement EUR 15.000 +VAT
- Other auditing services EUR 30.000+VAT

**32. Information on capital group and transactions with related parties****32.1. Information on joint undertakings that are not subject to consolidation**

Not applicable

32.2. Transactions with related parties**PROFI CREDIT CZECH A.S.**

(PLN)	01.07.16 -31.12.17 / As at 31.12.2017	01.07.15 -30.06.16 / As at 30.06.2016
shopping	5 593 720,22	3 783 956,07
Loans and advances received	-	-
Sale	5 429,97	-
Operation costs	-	-
Trade receivables and services	5 429,97	-
Liabilities Trade payables	408 112,56	384 684,59
Liabilities Loans and borrowings	-	-
other receivables	-	-
other liabilities	-	-

PROFIREAL GROUP SE

(PLN)	01.07.16 -31.12.17 / As at 31.12.2017	01.07.15 -30.06.16 / As at 30.06.2016
shopping	-	-
Loans and advances received	-	19 836 750,00
Sale	-	7 122,75
Operation costs	3 466 809,97	3 038 866,51
Trade receivables and services	-	-
Liabilities Trade payables	175 695,46	264 767,18
Liabilities Loans and borrowings	-	-
other receivables	-	-
other liabilities	45 000,00	-

PROFI CREDIT SLOVAKIA S.R.O.

(PLN)	01.07.16 -31.12.17 / As at 31.12.2017	01.07.15 -30.06.16 / As at 30.06.2016
shopping	116 322,92	249 739,83
Loans and advances received	-	-
Sale	-	-
Operation costs	-	-
Trade receivables and services	-	-
Liabilities Trade payables	-	23 759,40
Liabilities Loans and borrowings	-	-
other receivables	-	-
other liabilities	-	-





PROFIDEBT

(PLN)	01.07.16 -31.12.17 / As at 31.12.2017	01.07.15 -30.06.16 / As at 30.06.2016
shopping	-	-
Loans and advances received	-	-
Sale	2 838,65	1 860,94
Operation costs	-	-
Trade receivables and services	954,09	930,47
Liabilities Trade payables	-	-
Liabilities Loans and borrowings	-	-
other receivables	-	-
other liabilities	-	-

PROFI CREDIT Poland sp. z o.o.

(PLN)	01.07.16 -31.12.17 / As at 31.12.2017	01.07.15 -30.06.16 / As at 30.06.2016
shopping	-	-
Loans and advances received	-	5 500 000,00
Sale	19 306,08	16 211,11
Operation costs	1 054 230,45	-
Trade receivables and services	1 072,56	1 072,56
Liabilities Trade payables	-	-
Liabilities Loans and borrowings	6 235 400,16	5 855 740,27
other receivables	-	-
other liabilities	-	-

PROFI FUNDING BV

(PLN)	01.07.16 -31.12.17 / As at 31.12.2017	01.07.15 -30.06.16 / As at 30.06.2016
shopping	-	-
Loans and advances received	457 618 468,83	-
Sale	-	-
Operation costs	782 793,66	-
Trade receivables and services	-	-
Liabilities Trade payables	782 793,66	-
Liabilities Loans and borrowings	469 313 163,00	-
other receivables	-	-
other liabilities	-	-

32.3. List of companies in which the Company has at least 20% of shares or voting rights

Not applicable in the Company

32.4. 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.

32.5. 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: 2624 ES Delft, Martinus Nijhofflaan 2.

33. Significant financial assets and financial liabilities

ASSETS AND FINANCIAL LIABILITIES AS OF 31.12.2017							
CATEGORY	Name of financing institution	Tenor/date of expiry	Currency	credit limit	Interest rates - fixed/floating	Related party yes/no	Type of pledge
FINANCIAL ASSETS – GRANTED LOANS AND OWN RECEIVABLES	RECEIVABLES FROM LOANS GRANTED BY PROFICI CREDIT POLSKA S.A. TO CUSTOMERS	Loans for the period from 6 to 48 months	PLN	Loans paid out in the amount from PLN 500 to 25,000	fixed	N/A	Bill of exchange
FINANCIAL LIABILITIES – RECEIVED CREDITS AND LOANS	Lender 6	2030-12-31	CZK	2 077 044 188 CZK	fixed	YES	Assignment of loan receivables, bill of exchange, pledge on shares of Profi Credit Polska S.A.
			EUR	28 445 865 EUR	fixed		
	Lender 2	Termless loans	PLN	5 210 000 PLN	fixed	YES	no
	Lender 3	Termless loan	CZK	0 CZK	fixed	YES	no
	Lender 5	2020-12-31	CZK	1 291 480 016 CZK	fixed	NO	Assignment of loan receivables, ProfiReal Group SE; guarantee, cross guarantees from PC Czech and PC Bulgaria, pledge on bank account, pledge on ESCROW account with 1-year security deposit, bill of exchange
	Lessors (various)	Until 2020	PLN	1 475 082 PLN	floating	NO	Lease subjects

ASSETS AND FINANCIAL LIABILITIES AS OF 30.06.2016 R.							
CATEGORY	Name of financing institution	Tenor/date of expiry	Currency	credit limit	Interest rates - fixed/floating	Related party yes/no	Type of pledge
FINANCIAL ASSETS – GRANTED LOANS AND OWN RECEIVABLES	RECEIVABLES FROM LOANS GRANTED BY PROFICREDIT POLSKA S.A. TO CUSTOMERS	Loans for the period from 6 to 48 months	PLN	Loans paid out in the amount from PLN 500 to 25,000	fixed	N/A	Bill of exchange
FINANCIAL LIABILITIES – RECEIVED CREDITS AND LOANS	Lender 1	2020-12-31	CZK	1 563 544 188 CZK	fixed	NO	Assignment of loan receivables, bill of exchange, pledge on shares of Profi Credit Polska S.A.
			EUR	28 445 865 EUR	fixed		
	Lender 2	Fermless loans	PLN	5 500 000 PLN	fixed	YES	no
	Lender 3	Termless loan	CZK	0 CZK	fixed	YES	no
	Lender 4	2017-12-31	CZK	306 306 472 CZK	fixed	NO	Assignment of loan receivables, ProfiReal Group SE guarantee, pledge on bank account, pledge on ESCROW account with 1-year security deposit, bill of exchange
	Lender 5	2019-12-31	CZK	872 459 808 CZK	fixed	NO	Assignment of loan receivables, ProfiReal Group SE guarantee, cross guarantees from PC Czech and PC Bulgaria, pledge on bank account, pledge on ESCROW account with 1-year security deposit, bill of exchange
	Lessors (various)	Until 2020	PLN	1 596 381 PLN	floating	NO	Lease subjects

Trading year finished as of 31.12.2017

Assets/liabilities category	Performed interests	Calculated interests (not-performed)		
		up to 3 months	from 3 to 12 months	more than 12 months
Granted short-term loans	82 440 618,73	-	-	-
Granted long-term loans	-	139 482 595,07	-	-
Other short-term financial liabilities	113 806 529,54	12 720 094,33	-	-
Long-term financial liabilities	-	-	-	-

Trading year finished as of 30.06.2016

Assets/liabilities category	Performed interests	Calculated interests (not-performed)		
		up to 3 months	from 3 to 12 months	more than 12 months
Granted short-term loans	41 704 090,13	-	-	-
Granted long-term loans	-	145 236 194,29	-	-
Other short-term financial liabilities	77 378 587,87	5 603 881,57	-	-
Long-term financial liabilities	-	-	-	-



34. Risk management

Credit risk

The Company monitors credit risk by its own scoring system, verification of customer's credibility in its own base, as well as databases of external economic information bureaus, internal procedures of accepting application for a loan.

Foreign exchange risk

The Company is exposed to fluctuations of CZK and EUR exchange rates due to credit lines in these currencies, in the case of inflows only in PLN. The Company periodically monitors market in terms of available hedging instruments and values cost of such securities in relation to the risk.

Interest rate risk

Both loans offered by the Company to customers as well as credit lines received from lenders have fixed interest rates, which is why the Company finds the risk of interest rate as insignificant.

33. Merger companies

Not applicable.

34. Pending proceedings against the Company

The company is a party to proceedings by the Office of Competition and Consumer Protection regarding infringements of collective consumer interests regarding the compliance of loan agreements with the Consumer Credit Act under the Act on Competition and Consumer Protection. By the date of the financial statement preparation, no decisions of the OCCP regarding the proceedings was received.

In addition, on 30 January 2017, a control procedure to check the correctness of the declared tax bases and the accuracy of calculating and paying corporate income tax for 2014, for the period from July 2, 2014 to June 30, 2015, was initiated. Until the date of this the financial statements The Company has not received a decision or a report summarizing the control.

Bielsko-Biała, 18.05.2018

Chief Accountant

Lucyna Babicka

.....
*Signature of a person responsible
for keeping the books*

President	David Chour
Vice President	Sławomir Pawlik
Member	Marek Štejnár
Member	Agnieszka Berkan



Directors' Report on operations of PROFI CREDIT Polska S.A. in the financial year ending on 31.12.2017

1. Company profile

Name: PROFI CREDIT Polska Spółka Akcyjna

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

Legal form: Joint Stock Company

Entered into the National Court Register kept by the Regional Court in Bielsko-Biala, VIII Economic Division of the National Court Register under the number: KRS 0000518190. The share capital: PLN 793 951 000.00.

Core business: according to PKD [Polish Classification of Activities] 64.92.Z – Other credit granting.

REGON number: 243624011

TAX ID number (NIP): 5472151080

MANAGEMENT BOARD

In the period from July 1, 2016 to December 31, 2017 there were no changes in the membership of the Management Board which comprised:

President	David Chour
Vice - President	Sławomir Pawlik
Member	Marek Štejnar
Member	Agnieszka Berkan

SUPERVISORY BOARD

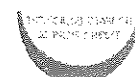
In the period from July 1, 2016 to December 31, 2017 there were following changes in the membership of the Supervisory Board, which comprised:

1. In the period from July 1, 2016 to March 31, 2017:

Chairman	Zdenek Lhotský
Member	Erik Lőrinc
Member	Jaromir Všetečka

2. In the period from March 31, 2017 to July 1, 2017:

Chairman	Zdenek Lhotský
Member	Aleš Oborník





Member Jaromir Vřetečka

based on the Resolution No 1 of the Extraordinary Shareholders Meeting dated March 31, 2017 which recalled Mr Erik Lörinc and appointed Mr Aleř Obornik as a Supervisory Board member.

3. In the period from July 1, 2017 to August 16, 2017:

Chairman Zdenek Lhotský

Member Aleř Obornik

due the resignation of Jaromir Vřetečka from the Supervisory Board member position, tendered on June 30, 2017.

4. In the period from August 16, 2017 to December 31, 2017:

Chairman Zdenek Lhotský

Member Aleř Obornik

Member David Staněk

Based on Resolution No 1 of the Extraordinary Shareholders Meeting, dated August 16, 2017 which appointed David Staněk as a Supervisory Board member.

2. Changes in the ownership structure and share capital of the Company

No changes in the Company ownership structure neither share capital took place in the financial year.

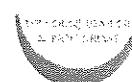
3. Sales and products of the Company

The Company conducted financial service activities involving granting of cash loans to natural persons and enterprises.

The Company specialized in quick and easy cash loans (pay-day loans) up to PLN 25 000. Product portfolio was divided into two segments: the first one comprised of offers for natural persons, while the other one was addressing business owners (microenterprises). Owing to diversification of product portfolio by the costs of certain products based on the assessment of applicant's creditworthiness and potential delays in future repayment of debts, the Company achieved satisfactory level of sales, even in sectors that are more risky, while maintaining expected profitability of investments.

For the period from July, 1 2016 to December, 2017 the Company extended more than 103,1 thousand loans with total nominal value exceeding PLN 1,1 billion, thus recording more significant sales growth compared with the corresponding period of the previous year.

The second half of 2017 was a period of intensive work in order to implement changes in advertising activities, necessary due to the legislative changes. New legal requirements imposed on the Company and the other entities operating in the consumer financing sector to disclose the information about the costs of the loan in advertisements.





The second half of the year 2017 was a period of intensive work to implement adjustments to the Company's marketing activities, necessary to follow legislative changes.

The new legal requirements obliged the Company and other entities active on the consumer loans market, to include information about costs of the loan in marketing advertisements.

In the second half of the year 2017, the Company rebuilt its portfolio of products and started to offer increased maximum payment period for the best clients, paying on schedule

Through an active and detailed monitoring of market, both with regard to competitors and macroeconomic conditions, the Company has developed an efficient method for responding to changes in the market. Owing to such approach the Company has been able to modify its short- and long-term strategy with regard to products, sales, and marketing activities so as to counteract any negative effects of the aforesaid changes. With this business model PROFİ CREDIT has maintained competitiveness offering both banking products with high amounts and long repayment terms and easy available short – term cash loans.

Sales was based on a commercial network consisting of professional financial advisors within the whole area of Poland, supported by efficient and targeted marketing campaigns providing selling agents with lists of customers potentially interested (*leads*) in products provided by PROFİ CREDIT.

4. Staff and Employee Benefits

The average age of full-time employees is 34 years. Majority of employees are tertiary-educated. From 01.07.2016 to 31.12.2017 131 employment contracts were terminated and 159 new people were employed. The gross average salary amounted to PLN 5 508,98. Costs of gross salaries amounted to PLN 35 308 550,39 The Company paid all social insurance contributions for employees in the amount of PLN 10 845 896,56 From 01.07.2016 to 31.12.2017 the remuneration of the Management Board members in total amounted to PLN 211 067,13.

In order to incentivize staff members the Company applied quarterly and semi-annual performance-based bonuses as well as monthly bonuses based on individual performance of employees.

5. Investments

In the financial year ending on December 31, 2017, the Company purchased computer equipment in total value of PLN 1 505 885,93 and computer software in total value of PLN 1 026 148,62.

6. Funding

Due to the nature of business, in the financial year the Company used loan facilities to provide liquidity for the Company's day-to-day operations.

During the financial year, there were the following changes in the funding structure:

- The funding from the Netherlands Mezzanine Fund B.V. (former Solarex Investments B.V.) was replaced by the intra- group financing from Profi Funding B.V.,
- The significant part of financing was prolonged to 2030,
- The Company repaid two loans granted by Dairewa plc
- The Company negotiated better financing conditions – the financing costs were decreased.

The above mentioned events strengthen the financial stability of the Company and guaranteed funds for the operating activity in the long – term perspective.





Comparison of the financing structure between reporting periods:

Tenors

PLN mln	As at 31.12.2017	Structure % 31.12.2017	As at 30.06.2016	Structure% 30.06.2016
Short term debts	133,08	19%	101,71	17%
Long term debts	554,74	81%	485,52	83%
TOTAL DEBTS	687,82		587,23	

Financing sources structure

PLN mln	As at 31.12.2017	Structure % 31.12.2017	As at 30.06.2016	Structure% 30.06.2016
Intra group financing	475,55	69%	5,86	1%
External financing	212,27	31%	581,37	99%
TOTAL DEBTS	687,82		587,23	

Risk management

Credit risk

The Company monitors credit risk by its own scoring system, verification of customer's credibility in its own base, as well as databases of external economic information bureaus, internal procedures of accepting application for a loan.

Foreign exchange risk

The Company is exposed to fluctuations of CZK and EUR exchange rates due to credit lines in these currencies, in the case of inflows only in PLN. The Company periodically monitors market in terms of available hedging instruments and values cost of such securities in relation to the risk.

Interest rate risk

Both loans offered by the Company to customers as well as credit lines received from lenders have fixed interest rates, which is why the Company finds the risk of interest rate as insignificant.

Derivatives

In the financial year the Company did not enter into any derivative instruments..

7. Basic Equity and Financial Ratios

7.1. Portfolio of loans granted

As at the end of December 2017 the nominal value of the portfolio of loans granted amounted to 1 635 million PLN, while the balance sheet total is 1 038 million PLN.





7.2. Basic ratios

The table below shows basic financial ratios and dynamics of changes compared to corresponding period of the previous year.

Item(*)	Specification	01.07.16 - 31.12.17r.	01.07.15 - 30.06.16r.	Dynamics
A	Net revenues from sales	692 529 985,74	476 167 907,80	45%
E	General and administrative expenses	182 599 129,39	118 180 613,67	55%
G	Other operating income	384 653,97	217 730,70	77%
H	Other operating cost	116 764 148,77	100 084 833,88	17%
J	financial income	29 742 948,07	22 300 950,34	33%
K	financial costs	340 443 926,18	177 015 486,20	92%
O	Net profit (loss) (L-M-N)	82 850 383,44	96 301 816,03	-14%

(*) Designation of the items of the financial statements - Profit and loss account for the period of 18 months ending on 31 December 2017

In the previous reporting period profit margin calculated as the net profit divided by sales dropped from 20,2% to 12,0%, whereas the net profit decreased by 14%.

8. Projected growth

The Company anticipates further sales growth and net income growth based on the existing business model. The Company will thoroughly analyze all initiatives to improve attractiveness of products offered and to increase the number of customers interested in products provided by Profi Credit. At the same time, the Company will continue activities in order to obtain and diversify additional funding. The alternative, online sales channels will be developed from 2018. The predicted sales volume will be initially not significant, but the Company predict it becomes material in the future.

Bielsko-Biala, 18.05.2018

President	David Chour
Vice President	Sławomir Pawlik
Member	Marek Štejnar
Member	Agnieszka Berkan

