

DAIREWA PLC
REPORT AND INTERIM UNAUDITED
FINANCIAL STATEMENTS
Period from 1 January to 30 June 2016

DAIREWA PLC

REPORT AND INTERIM UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

CONTENTS	PAGE
Board of Directors and other officers	1
Report of the Board of Directors	2
Independent auditor's report	3
Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Cash flow statement	7
Notes to the financial statements	8 - 40
Additional information to the statement of profit or loss and other comprehensive income	41 - 45

DAIREWA PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Julius Zubor Eleftheria Kyriakou
Company Secretary:	PA.TY. Secretarial Limited
Independent Auditors:	KPSA CHARTERED ACCOUNTANTS 15 Themistokli Dervi, street 1st floor, P.O. Box 27040 1641 Nicosia Cyprus
Registered office:	Akropoleos, 59-61 SAVVIDES CENTER, 1st floor, Flat/Office 102 2012, Nicosia Cyprus
Banker:	J&T Banka, a.s.
Registration number:	HE271773

DAIREWA PLC

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and unaudited financial statements of the Company for the period from 1 January 2016 to 30 June 2016.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and the provision of financing.

Review of current position, future developments and significant risks

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Results and Dividends

The Company's results for the period are set out on page 4. The Board of Directors does not recommend the payment of a dividend and the net profit for the period is retained.

Share capital

There were no changes in the share capital of the Company during the period under review.

Board of Directors

The members of the Company's Board of Directors as at 30 June 2016 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2016 to 30 June 2016.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors

Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent Auditors

The Independent Auditors, KPSA, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



PA.TY. SECRETARIAL LIMITED
PA.TY. Secretarial Limited
Secretary

Nicosia, 11 August 2016

KPSA

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1641 Nicosia
Cyprus

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Cyprus

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Independent auditor's report on review of interim unaudited financial statements

To the Members of Dairewa PLC

Introduction

We have reviewed the accompanying interim condensed financial statements of Dairewa PLC (the "Company"), which comprise the statement of financial position as at 30 June 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 1 January 2016 to 30 June 2016, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ('IAS34 Interim Financial Reporting'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

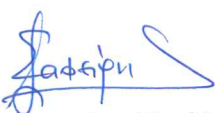
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting'.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Stelios Saphiris 
Certified Public Accountant and Registered Auditor
for and on behalf of

KPSA
CHARTERED ACCOUNTANTS

Nicosia, 11 August 2016

DAIREWA PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2016 to 30 June 2016

	Note	01/01/2016 - 30/06/2016 CZK	01/01/2015 - 30/06/2015 CZK
Revenue	3	46.651.581	80.986.727
Profit from investing activities	4	2.117.068	16.590.958
Administration expenses		(3.359.399)	(5.726.782)
Operating profit	5	45.409.250	91.850.903
Finance costs	6	(41.958.931)	(85.117.369)
Profit before tax		3.450.319	6.733.534
Tax	7	(1.503.734)	(2.732.548)
Net profit for the period		1.946.585	4.000.986
Other comprehensive income		-	-
Total comprehensive income for the period		1.946.585	4.000.986

The notes on pages 8 to 40 form an integral part of these financial statements.

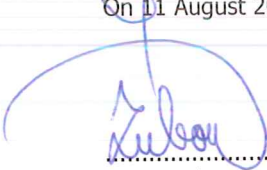
DAIREWA PLC

STATEMENT OF FINANCIAL POSITION

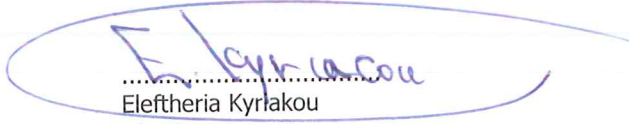
30 June 2016

	Note	30/06/2016 CZK	31/12/2015 CZK
ASSETS			
Non-current assets			
Non-current loans receivable	8	<u>194.603.633</u>	449.558.302
		194.603.633	449.558.302
Current assets			
Trade and other receivables	9	1.427.961	1.637.886
Loans receivable	8	611.426.065	843.679.520
Refundable taxes	15	965.767	2.827.092
Cash at bank and in hand	10	<u>114.444.575</u>	<u>22.385.157</u>
		728.264.368	870.529.655
Total assets		<u>922.868.001</u>	<u>1.320.087.957</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	11	638.308	638.308
Other reserves	12	394.300	394.300
Retained earnings		<u>2.736.220</u>	<u>789.634</u>
Total equity		<u>3.768.828</u>	<u>1.822.242</u>
Current liabilities			
Trade and other payables	14	1.298.233	7.913.574
Borrowings	13	917.800.814	1.310.352.017
Current tax liabilities	15	126	124
		<u>919.099.173</u>	<u>1.318.265.715</u>
Total equity and liabilities		<u>922.868.001</u>	<u>1.320.087.957</u>

On 11 August 2016 the Board of Directors of Dairewa PLC authorised these financial statements for issue.



.....
Julius Zubor
Director



.....
Eleftheria Kyriakou
Director

The notes on pages 8 to 40 form an integral part of these financial statements.

DAIREWA PLC

STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2016 to 30 June 2016

	Note	Share capital CZK	Capital reserve CZK	Retained earnings CZK	Total CZK
Balance at 1 January 2015		<u>638.308</u>	<u>257.350</u>	<u>(452.778)</u>	<u>442.880</u>
Comprehensive income					
Net profit for the period		-	-	4.000.986	4.000.986
Transactions with owners					
Capital contribution from shareholders		-	136.950	-	136.950
Balance at 30 June 2015 / 1 July 2015		<u>638.308</u>	<u>394.300</u>	<u>3.548.208</u>	<u>4.580.816</u>
Comprehensive income					
Net loss for the period		-	-	(2.758.573)	(2.758.573)
Balance at 31 December 2015		<u>638.308</u>	<u>394.300</u>	<u>789.634</u>	<u>1.822.242</u>
Comprehensive income					
Net profit for the period	11	-	-	1.946.585	1.946.585
Balance at 30 June 2016		<u>638.308</u>	<u>394.300</u>	<u>2.736.220</u>	<u>3.768.828</u>

The notes on pages 8 to 40 form an integral part of these financial statements.

DAIREWA PLC

CASH FLOW STATEMENT

Period from 1 January 2016 to 30 June 2016

	Note	01/01/2016 - 30/06/2016 CZK	01/01/2015 - 30/06/2015 CZK
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		3.450.319	6.733.534
Adjustments for:			
Unrealised exchange loss/(profit)		21.124	(35.207)
Interest income	4	(46.651.601)	(79.556.063)
Interest expense	6	39.806.447	68.596.988
		(3.373.711)	(4.260.748)
Changes in working capital:			
Decrease in trade and other receivables		209.925	1.425.270
Decrease in trade and other payables		(6.981.327)	(1.007.571)
Cash used in operations		(10.145.113)	(3.843.049)
Interest received		46.655.230	79.189.725
Tax refunded/(paid)		364.652	(1.155.379)
Net cash generated from operating activities		36.874.769	74.191.297
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans granted		-	(263.023.181)
Loans repayments received		488.433.514	515.247.378
Interest received		20	93
Net cash generated from investing activities		488.433.534	252.224.290
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of debentures		-	(195.000.000)
Repayments of expenses for the issue of debentures		-	(20.381.624)
Proceeds from the issue of debentures		-	816.950.000
Unrealised exchange (loss)/profit		161.869	2.075.337
Interest paid		(32.891.497)	(49.599.644)
Capital contribution from shareholders		-	136.950
Net cash (used in)/generated from financing activities		(32.729.628)	554.181.019
Net increase in cash and cash equivalents		492.578.675	880.596.606
Cash and cash equivalents at beginning of the period		(475.146.976)	(1.541.277.336)
Cash and cash equivalents at end of the period	10	17.431.699	(660.680.734)

The notes on pages 8 to 40 form an integral part of these financial statements.

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

1. Incorporation and principal activities

Country of incorporation

The Company Dairewa PLC (the "Company") was incorporated in Cyprus on 10 August 2010 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Akropoleos, 59-61, SAVVIDES CENTER, 1st floor, Flat/Office 102, 2012, Nicosia, Cyprus.

2. Significant accounting policies

The financial statements, which are presented in Czech Korunas, have been prepared in accordance with international Financial Reporting Standards, including IAS 34 "Interim Financial Reporting"

The accounting policies used in the preparation of the financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2015.

Costs that are incurred during the financial year are anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.

Corporation tax is calculated based on the expected tax rates for the whole financial year.

These financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2015.

3. Revenue

	01/01/2016 - 30/06/2016	01/01/2015 - 30/06/2015
	CZK	CZK
Loan interest income	46.651.581	79.555.970
Services rendered	-	1.430.757
	<u>46.651.581</u>	<u>80.986.727</u>

4. Profit from investing activities

	01/01/2016 - 30/06/2016	01/01/2015 - 30/06/2015
	CZK	CZK
Interest income	20	93
Exchange profit	2.117.048	16.590.865
	<u>2.117.068</u>	<u>16.590.958</u>

Interest income is analysed as follows:

	01/01/2016 - 30/06/2016	01/01/2015 - 30/06/2015
	CZK	CZK
Bank current accounts	20	93
	<u>20</u>	<u>93</u>

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

5. Operating profit

	01/01/2016 - 30/06/2016 CZK	01/01/2015 - 30/06/2015 CZK
Operating profit is stated after charging the following items:		
Directors' fees	30.560	18.218
Auditors' remuneration for other assurance services	454.428	504.033
Auditors' remuneration - prior years	<u>154.242</u>	<u>155.610</u>

6. Finance costs

	01/01/2016 - 30/06/2016 CZK	01/01/2015 - 30/06/2015 CZK
Finance costs		
Interest expense		
Bank overdraft interest	12.094.347	24.991.873
Debenture interest	27.712.100	43.604.989
Interest on taxes	-	126
Sundry finance expenses		
Bank charges	14.312	20.604
Net foreign exchange transaction losses		
Unrealised foreign exchange loss	<u>2.138.172</u>	<u>16.499.777</u>
	<u>41.958.931</u>	<u>85.117.369</u>

7. Tax

	01/01/2016 - 30/06/2016 CZK	01/01/2015 - 30/06/2015 CZK
Corporation tax - current period	-	35.699
Overseas tax	1.503.730	2.696.835
Defence contribution - current period	4	14
Charge for the period	<u>1.503.734</u>	<u>2.732.548</u>

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

7. Tax (continued)

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	01/01/2016 - 30/06/2016 CZK	01/01/2015 - 30/06/2015 CZK
Profit before tax	<u>3.450.319</u>	<u>6.733.534</u>
Tax calculated at the applicable tax rates	431.290	841.692
Tax effect of expenses not deductible for tax purposes	268.455	2.063.696
Tax effect of allowances and income not subject to tax	(264.634)	(2.066.885)
10% additional charge	-	3.245
Defence contribution current period	4	14
Overseas tax in excess of credit claim used during the period	<u>1.068.619</u>	<u>1.890.786</u>
Tax charge	<u>1.503.734</u>	<u>2.732.548</u>

The corporation tax rate is 12,5%.

Under certain conditions, interest income may be subject to defence contribution at the rate of 30%. In such cases, this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

8. Non-current loans receivable

	30/06/2016 CZK	31/12/2015 CZK
Balance at 1 January	1.293.237.822	2.047.457.060
New loans granted	-	262.797.784
Repayments	(535.088.744)	(1.152.045.309)
Interest charged	46.651.580	147.715.811
Exchange differences	<u>1.229.040</u>	<u>(12.687.524)</u>
Balance at 30 June 2016 / 31 December 2015	<u>806.029.698</u>	<u>1.293.237.822</u>

	30/06/2016 CZK	31/12/2015 CZK
Loans receivable	<u>806.029.698</u>	<u>1.293.237.822</u>
Less current portion	<u>(611.426.065)</u>	<u>(843.679.520)</u>
Non-current portion	<u>194.603.633</u>	<u>449.558.302</u>

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

8. Non-current loans receivable (continued)

The loans are repayable as follows:

	30/06/2016	31/12/2015
	CZK	CZK
Within one year	611.426.065	843.679.520
Between one and five years	194.603.633	449.558.302
	<u>806.029.698</u>	<u>1.293.237.822</u>

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

8. Non-current loans receivable (continued)

(A) During the period ended 31 December 2011, the Company concluded the following agreements:

(1) On 10 March 2011, the Company ("Lender") entered into a "Mid Term Loan Facility Agreement", with Profi Credit Czech, a.s. ("Borrower"), for the provision of a loan up to the amount of CZK 500.000.000. The purpose of the loan, is the provision of funds to the Borrower, in order to finance its business of providing loans to individuals ("Receivables").

According to the agreement, the Borrower is obliged to pay interest at 8,50% per annum, as well as a loan fee of 0,5% on the Maximum Facility Amount (one off payment) and a commitment fee of 0,5% per annum on the difference between the Maximum Facility Amount and the aggregate of all Utilisations and finally, the Borrower shall reimburse to the Lender the costs for preparing, drafting, negotiating and adjusting the Finance Documents up to the amount of CZK 100.000.

The Borrower shall repay the principal and interest accrued by means of regular monthly instalments, the amount of which is to be determined by the Lender based on a formula agreed between the parties, subject to the rule that each Utilisation shall be repaid no later than three years following the end of the calendar month following the calendar month in which such Utilisation is made available.

However, according to Amendment No.1 concluded on 30 March 2011, the Company agreed with Profi Credit Slovakia, s.r.o. ("Proficredit SK"), to conclude two further loan agreements for the provision of additional funds to Proficredit SK of EUR 11.000.000 and EUR 9.000.000 accordingly.

Furthermore, in relation to the above, the parties wish to determine the joint loan facility limit to the maximum amount of CZK 530.000.000.

On 10 March 2011, the Company entered into an "Agreement on establishment of pledge over receivables from bank account contracts", according to which the parties have agreed on the creation of the pledge over the Receivables of the Borrower, including all monetary receivables up to the maximum amount of CZK 750.000.000.

On the same date, the Company entered into an "Agreement on application of the blank promissory note", according to which Profi Credit Czech, a.s., has issued a Blank Promissory Note to the Company to secure the repayment of the Receivables stated above.

(2) On 31 October 2011, the Company ("Lender") entered into a "Mid Term Loan Facility Agreement (Existing Production)", with Profi Credit Slovakia, s.r.o. ("Borrower"), (according to the terms of the Amendment No.1 mentioned in (1) above) for the provision of a loan up to the amount of EUR 11.000.000. The purpose of the loan, is the provision of funds to the Borrower, in order to finance its business of providing loans to individuals ("Receivables").

According to the agreement, the Borrower is obliged to pay interest at 9,4444% per annum, as well as a loan fee of 0,35% per annum on the Maximum Facility Amount (one off payment), a commitment fee of 0,5% per annum on the difference between the Maximum Facility Amount and the aggregate of all Utilisations and finally, the Borrower shall reimburse to the Lender the costs for preparing, drafting, negotiating and adjusting the Finance Documents up to the amount of EUR 15.000.

The Borrower shall repay the principal and interest accrued by means of regular monthly instalments, the amount of which is to be determined by the Lender based on a formula agreed between the parties, within forty four months following the end of the calendar month following the calendar month in which such Utilisation is made available.

On 31 October 2011, the Company entered into an "Agreement on establishment of pledge over receivables from bank account contracts", according to which the parties have agreed on the creation of the pledge over the Receivables of the Borrower, including all monetary receivables up to the maximum amount of EUR 16.500.000.

On the same date, the Company entered into an "Agreement on application of the blank promissory note", according to which Profi Credit Slovakia, s.r.o., has issued a Blank Promissory Note to the Company to secure the repayment of the Receivables stated above.

On 11 November 2015, the Company ("Lender") has sent a 'Confirmation for termination of security' to Profi Credit

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

8. Non-current loans receivable (continued)

Slovakia, s.r.o. ("Debtor" and "Pledgee") to confirm that all outstanding amounts in relation to the "Mid Term Loan Facility Agreement ("Existing Production") dated on 31 October 2011, were repaid on 28 August 2015 and there are no debts against the Lender.

(3) On 27 October 2011, the Company ("Lender") entered into a "Mid Term Loan Facility Agreement (New Production)", with Profi Credit Slovakia, s.r.o. ("Borrower"), (according to the terms of the Amendment No.1 mentioned in (1) above) for the provision of a loan up to the amount of EUR 9.000.000. The purpose of the loan, is the provision of funds to the Borrower, in order to finance its business of providing loans to individuals ("Receivables").

According to the agreement, the Borrower is obliged to pay interest at 9,4444% per annum, as well as a loan fee of 0,35% per annum on the Maximum Facility Amount (one off payment) and a commitment fee of 0,5% per annum on the difference between the Maximum Facility Amount and the aggregate of all Utilisations and finally, the Borrower shall reimburse to the Lender the costs for preparing, drafting, negotiating and adjusting the Finance Documents up to the amount of EUR 15.000.

The Borrower shall repay the principal and interest accrued by means of regular monthly instalments, the amount of which is to be determined by the Lender based on a formula agreed between the parties, subject to the rule that each Utilisation shall be repaid no later than three years following the end of the calendar month following the calendar month in which the relevant Utilisation is made available.

On 31 October 2011, the Company entered into an "Agreement on establishment of pledge over receivables from bank account contracts", according to which the parties have agreed on the creation of the pledge over the Receivables of the Borrower, including all monetary receivables up to the maximum amount of EUR 13.500.000.

On the same date, the Company entered into an "Agreement on application of the blank promissory note", according to which Profi Credit Slovakia, s.r.o, has issued a Blank Promissory Note to the Company to secure the repayment of the Receivables stated above.

On 11 November 2015, the Company ("Lender") has sent a 'Confirmation for termination of security' to Profi Credit Slovakia, s.r.o. ("Debtor" and "Pledgee") to confirm that all outstanding amounts in relation to the "Mid Term Loan Facility Agreement ("New Production") dated on 27 October 2011, were repaid on 28 August 2015 and there are no debts against the Lender.

(B) During 2012, the Company concluded the following agreements:

(1) On 4 April 2012, the Company ("Lender") entered into Amendment No.1 to the Mid Term Loan Facility Agreement (New Production) with Profi Credit Slovakia, s.r.o. ("Borrower") for the cancelation of the joint loan limit and newly to adjust a separate loan limit for the Borrower in the amount of EUR 20.000.000 which will enable the Borrower to further utilise up to EUR 9.000.000 under Loan Agreement II dated 27 October 2011 and the extension of the repayment date to 30 September 2012.

(2) On 17 April 2012, the Company entered into Amendment No.2 to the Mid Term Loan Facility Agreement dated 10 March 2011 with Profi Credit Czech, a.s. ("Borrower"), for the cancelation of the joint loan limit and newly to adjust a separate loan limit for the Borrower in the amount of CZK 500.000.000, and the extension of the availability period until 30 September 2012.

(3) On 7 November 2012, the Company entered into Amendment No.3 to the Mid Term Loan Facility Agreement with Profi Credit Czech, a.s. for the extension of the availability period to 31 March 2013.

(4) On 7 November 2012, the Company entered into Amendment No.4 to the Mid Term Loan Facility Agreement with Profi Credit Czech, a.s., according to which the Borrower agreed that the Lender may, at its own discretion, establish a pledge under Czech law over the Contract Receivables to secure the Lender's obligations associated with the anticipated issue of bonds (the entire issue is anticipated to amount to CZK 195.000.000 while there exists an option to issue additional bonds up to the total nominal value of CZK 292.500.000). Therefore, the Company will secure the receivables from the loans granted due to the bond holders for the

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

8. Non-current loans receivable (continued)

repayment of the outstanding amount plus the bond yield by, inter alia, a pledge over the Contract Receivables.

(5) On 12 December 2012, the Company entered into Amendment No.5 to the Mid Term Loan Facility Agreement with Profi Credit Czech, a.s., for the change of the utilisation condition precedent for utilisation and the execution of the Pledge Agreement over the To-Be-Pledged Receivables, so that the Borrower's receivables due from its Natural Persons Agreements with due dates of more than 36 months can be To-Be-Pledged Receivables.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

8. Non-current loans receivable (continued)

(C) During 2013, the Company concluded the following agreements:

(1) On 12 March 2013, the Company ("Lender") entered into a "Mid Term Loan Facility Agreement", with Profi Credit Czech, a.s. ("Borrower"), for the provision of a loan up to the amount of CZK 425.000.000. The purpose of the loan, is the provision of funds to the Borrower, in order to finance its business of providing loans to individuals ("Receivables").

According to the agreement, the Borrower is obliged to pay interest at 8,00% per annum, as well as a loan fee of 0,35% on the Maximum Facility Amount (one off payment) and a commitment fee of 0,5% per annum on the difference between the Maximum Facility Amount and the aggregate of all Utilisations and finally, the Borrower shall reimburse to the Lender the costs for preparing, drafting, negotiating and adjusting the Finance Documents up to the amount of CZK 250.000.

The Borrower shall repay the principal and interest accrued by means of regular monthly installments, the amount of which is to be determined by the Lender based on a formula agreed between the parties. The first installment shall be due by the end of the calendar month following the calendar month in which the first Utilisation is made available. The last installment shall be due within three years following the calendar month in which the last Utilisation is made available.

On 28 February 2013, the Company entered into an "Agreement on establishment of pledge over receivables from bank account contracts", according to which the parties have agreed on the creation of the pledge over the Receivables of the Borrower, including all monetary receivables up to the maximum amount of CZK 637.500.000.

(2) On 12 March 2013, the Company ("Lender") entered into a "Mid Term Loan Facility Agreement", with Profi Credit Slovakia, s.r.o. ("Borrower"), for the provision of a loan up to the amount of EUR 6.000.000. The purpose of the loan, is the provision of funds to the Borrower, in order to finance its business of providing loans to individuals ("Receivables").

According to the agreement, the Borrower is obliged to pay interest at 8,8888% per annum, as well as a loan fee of 0,35% on the Maximum Facility Amount (one off payment) and a commitment fee of 0,5% per annum on the difference between the Maximum Facility Amount and the aggregate of all Utilisations and finally, the Borrower shall reimburse to the Lender the costs for preparing, drafting, negotiating and adjusting the Finance Documents up to the amount of EUR 9.000.

The Borrower shall repay the principal and interest accrued by means of regular monthly installments, the amount of which is to be determined by the Lender based on a formula agreed between the parties. The first installment shall be due by the end of the calendar month following the calendar month in which the first Utilisation is made available. The last installment shall be due within three years following the calendar month in which the last Utilisation is made available.

On 12 March 2013, the Company entered into an "Agreement on establishment of pledge over receivables from bank account contracts", according to which the parties have agreed on the creation of the pledge over the Receivables of the Borrower, including all monetary receivables up to the maximum amount of EUR 9.000.000.

(3) On 15 November 2013, the Company entered into Amendment No.1 to the Mid Term Loan Facility Agreement dated 12 March 2013 with Profi Credit Slovakia, s.r.o., for the increase of the principal amount to EUR 11.000.000.

(4) On 07 June 2013, the Company ("Lender") entered into a "Mid Term Loan Facility Agreement", with Profi Credit Poland Sp. z o.o. ("Borrower"), for the provision of a loan up to the amount of CZK 500.000.000. The purpose of the loan, is the provision of funds to the Borrower, in order to finance its business of providing loans to individuals ("Receivables").

According to the agreement, the Borrower is obliged to pay interest at 8,9474% per annum, as well as a loan fee of 0,35% on the Maximum Facility Amount (one off payment) and a commitment fee of 0,5% per annum on the difference between the Maximum Facility Amount and the aggregate of all Utilisations and finally, the Borrower shall reimburse to the Lender the costs for preparing, drafting, negotiating and adjusting the Finance Documents up to

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

8. Non-current loans receivable (continued)

the amount of CZK which would be agreed between the Borrower and the Lender before execution thereof. The actual amount charged is CZK 385.053.

The Borrower shall repay the principal and interest accrued by means of regular monthly installments, the amount of which is to be determined by the Lender based on a formula agreed between the parties. The first installment shall be due by the end of the calendar month following the calendar month in which the first Utilisation is made available. The last installment shall be due within three years following the calendar month in which the last Utilisation is made available.

On 07 June 2013, the Company entered into an "Agreement on establishment of pledge over receivables from bank account contract", according to which the parties have agreed on the creation of the pledge over the Receivables of the Borrower, including all monetary receivables up to the maximum amount of CZK 750.000.000.

On 18 June 2013, the Company ("Assignee") concluded an Agreement for the Security Assignment of Rights with Profi Credit Poland Sp. z o.o. ("Assignor") for the assignment of rights as a security for payment of secured claim. Until an event of default occurs, the Assignor shall have the right to receive payments and other consideration under the documents (i.e. all loan agreements) from the debtors and upon such receipt the payments or the other consideration will be deemed re-assigned to the Assignor, provided that such payment and/or re-assignment is not prohibited under the Facility Agreement.

However, on 14 February 2014, the Company entered into Amendment No.1 to the Mid-Term Loan Facility Agreement dated 07 June 2013 with Profi Credit Poland Sp. z o.o. for the change of the maximum amount to CZK 440.000.000 for the period from 1st January 2014 to 31st March 2014.

On 17 February 2015, the Company entered into an "Agreement on application of the blank promissory note", according to which Profi Credit Poland Sp. z o.o., has issued a Blank Promissory Note to the Company to secure the repayment of the Receivables stated above.

In addition, based on Amendment No.1 to the Agreement for the Security Assignment of Rights dated 24 February 2015, Profi Credit Poland Sp. z o.o. ("Current Assignor") has assigned the right to receive payments and other consideration under the documents (i.e. loan agreements) to Profi Credit Sp. z o.o. ("New Assignor") as from 18 December 2014.

On the same date, the Company concluded Amendment Agreement No.1 for the assignment of rights and transfer of obligations under the Pledge Agreement from Profi Credit Poland Sp. z o.o. ("Current Pledgor") to Profi Credit Sp. z o.o. ("New Pledgor") as from 18 December 2014.

Furthermore, Amendment No.2 to the Mid-term Loan Facility Agreement dated 07 June 2013 was concluded on 24 February 2015, for the assignment of rights and transfer of obligations under the Loan Facility Agreement from Profi Credit Poland Sp. z o.o. ("Original Borrower") to Profi Credit Sp. z o.o. ("New Borrower") with effect from 18 December 2014.

Then, Amendment No.3 to the Mid-term Loan Facility Agreement dated 07 June 2013 was concluded on 8 May 2015, for the assignment of rights and transfer of obligations under the Loan Facility Agreement from Profi Credit Sp. z o.o. ("Original Borrower") to Profi Credit Polska S.A. ("New Borrower") with effect from 26 February 2015.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

8. Non-current loans receivable (continued)

(D) During 2014, the Company concluded the following agreements:

(1) On 22 May 2014, the Company ("Lender") entered into a "Mid Term Loan Facility Agreement", with Profi Credit Slovakia, s.r.o. ("Borrower"), for the provision of a loan up to the amount of EUR 13.200.000. The purpose of the loan, is the provision of funds to the Borrower, in order to finance its business of providing loans to individuals ("Receivables"). According to the agreement, the Borrower is obliged to pay interest at 8,888% per annum, as well as a loan fee of 0,35% on the Maximum Facility Amount (one off payment) and a commitment fee of 0,5% per annum on the difference between the Maximum Loan Amount and the aggregate of all Utilisations and finally, the Borrower shall reimburse to the Lender the costs for preparing, drafting, negotiating and adjusting the Finance Documents up to the amount of EUR 6.000.

The Borrower shall repay the principal and interest accrued by means of regular monthly instalments, the amount of which is to be determined by the Lender based on a formula agreed between the parties, subject to the rule that each Utilisation shall be repaid no later than three years following the end of the calendar month following the calendar month in which such Utilisation is made available.

On 09 June 2014, the Company entered into an "Agreement on application of the blank promissory note", according to which Profi Credit Slovakia, s.r.o. has issued a Blank Promissory Note to the Company to secure the repayment of the Receivables stated above.

On 17 June 2014, the Company entered into an "Agreement on pledge of receivables from agreements with natural persons", according to which the parties have agreed on the creation of the pledge over the Receivables from Loan Facility Agreement to secure the Secured Receivables, including all monetary receivables of the Pledgee including interest and charges on the basis or in connection with the Loan Agreement up to the maximum amount of principal EUR 30.000.000.

(2) On 13 June 2014, the Company ("Lender") entered into a "Mid Term Loan Facility Agreement", with Profi Credit Poland Sp. z o.o. ("Borrower"), for the provision of a loan up to the amount of CZK 560.000.000. The purpose of the loan, is the provision of funds to the Borrower, in order to finance its business of providing loans to individuals ("Receivables"). According to the agreement, the Borrower is obliged to pay interest at 8,9474% per annum, as well as a loan fee of 0,35% on the Maximum Facility Amount (one off payment) and a commitment fee of 0,5% per annum on the difference between the Maximum Facility Amount and the aggregate of all Utilisations and finally, the Borrower shall reimburse to the Lender the costs for preparing, drafting, negotiating and adjusting the Finance Documents up to the amount of CZK which would be agreed between the Borrower and the Lender before execution thereof. The actual amount charged is CZK 288.120.

The Borrower shall repay the principal and interest accrued by means of regular monthly installments, the amount of which is to be determined by the Lender based on a formula agreed between the parties. The first installment shall be due by the end of the calendar month following the calendar month in which the first Utilisation is made available. The last installment shall be due within three years following the calendar month in which the last Utilisation is made available.

On 17 June 2014, the Company ("Assignee") concluded an Agreement for the Security Assignment of Rights with Profi Credit Poland Sp. z o.o. ("Assignor") for the assignment of rights as a security for payment of secured claim. Until an event of default occurs, the Assignor shall have the right to receive payments and other consideration under the documents (i.e. all loan agreements) from the debtors and upon such receipt the payments or the other consideration will be deemed re-assigned to the Assignor, provided that such payment and/or re-assignment is not prohibited under the Facility Agreement.

On 7 July 2014, the Company ("Creditor") concluded a Guarantee Declaration with Profireal Group SE ("Guarantor") and Profi Credit Poland Sp. z o.o. ("Debtor") to guarantee that the Guarantor shall satisfy the Company within fifteen business days of delivery of a written demand of the Creditor, in case the Debtor fails to fulfill any monetary obligation vis-a-vis the Creditor arising on the basis of or in connection with the Mid Term Loan Facility Agreement (2014, CZK 560.000.000) dated 13 June 2014 concluded between the Creditor and the Debtor and/or on the basis of or in connection with the other Finance documents. In addition, the Creditor is entitled to deliver to the Guarantor

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

8. Non-current loans receivable (continued)

the mentioned written demand in the case that the Debtor has not paid its due monetary obligation within the period of three business days from its maturity.

Also, on 13 June 2014, the Company entered into an "Agreement for the registered pledge over rights under the bank account", according to which the parties have agreed on the creation of the pledge over the Receivables of the Borrower, including all monetary receivables up to the maximum amount of CZK 840.000.000.

In addition, to the Guarantee Declaration dated 7 July 2014, the Company ("Promisee") concluded a Promise to Indemnify on 15 August 2014, with Profireal Group SE ("Promissor") and Profi Credit Poland Sp. z o.o. ("Debtor"), based on which the Promissor undertakes in writing to indemnify the Promisee for any damage suffered by the Promisee due to granting its consent to the Restructuring and any damage arising from the Promisee's other conduct that the Promisor may request within the framework of the Restructuring and that is not obligatory for the Promisee.

Also, on 17 February 2015, the Company entered into an "Agreement on application of the blank promissory note", according to which Profi Credit Poland Sp. z o.o., has issued a Blank Promissory Note to the Company to secure the repayment of the Receivables stated above.

In addition, based on Amendment No.1 to the Agreement for the Security Assignment of Rights, concluded on 24 February 2015, Profi Credit Poland Sp. z o.o. ("Current Assignor") has assigned the right to receive payments and other consideration under the documents (i.e. loan agreements) to Profi Credit Sp. z o.o. ("New Assignor") as from 18 December 2014.

On the same date, the Company concluded Amendment Agreement No.1 to the Agreement for the Registered Pledge over Rights under the Bank Account, for the assignment of rights and transfer of obligations under the Pledge Agreement from Profi Credit Poland Sp. z o.o. ("Current Pledgor") to Profi Credit Sp. z o.o. ("New Pledgor") as from 18 December 2014.

Furthermore, Amendment No.1 to the Mid-term Loan Facility Agreement dated 13 June 2014 was concluded on 24 February 2015, for the assignment of rights and transfer of obligations under the Loan Facility Agreement from Profi Credit Poland Sp. z o.o. ("Original Borrower") to Profi Credit Sp. z o.o. ("New Borrower") with effect from 18 December 2014.

Furthermore, Amendments No.2 and No.3 to the Mid-term Loan Facility Agreement dated 13 June 2014 were concluded on 8 May 2015 and on 10 September 2015 respectively, for the assignment of rights and transfer of obligations under the Loan Facility Agreement from Profi Credit Sp. z o.o. ("Original Borrower") to Profi Credit Polska S.A. ("New Borrower") with effect from 26 February 2015.

(3) On 06 August 2014, the Company ("Lender") entered into a "Mid Term Loan Facility Agreement", with Profi Credit Czech, a.s. ("Borrower"), for the provision of a loan up to the amount of CZK 495.000.000. The purpose of the loan, is the provision of funds to the Borrower, in order to finance its business of providing loans to individuals ("Receivables").

According to the agreement, the Borrower is obliged to pay interest at 8,00% per annum, as well as a loan fee of 0,35% on the Maximum Facility Amount (one off payment) and a commitment fee of 0,5% per annum on the difference between the Maximum Facility Amount and the aggregate of all Utilisations and finally, the Borrower shall reimburse to the Lender the costs for preparing, drafting, negotiating and adjusting the Finance Documents up to the amount of CZK 454.000.

The Borrower shall repay the principal and interest accrued by means of regular monthly installments, the amount of which is to be determined by the Lender based on a formula agreed between the parties. The first installment shall be due by the end of the calendar month following the calendar month in which the first Utilisation is made available. The last installment shall be due within three years following the calendar month in which the last Utilisation is made available.

On 06 August 2014, the Company entered into an "Agreement on application of the blank promissory note", according to which Profi Credit Czech, a.s. has issued a Blank Promissory Note to the Company to secure the repayment of the Receivables stated above.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

8. Non-current loans receivable (continued)

On 06 August 2014, the Company entered into an "Accounts Receivable Pledge Agreement", according to which the parties have agreed on the creation of the pledge over the Receivables of the Borrower, including all monetary receivables up to the maximum amount of CZK 990.000.000.

On 4 September 2014, the Company ("Creditor") concluded a Guarantee Declaration with Profireal Group SE ("Guarantor") and Profi Credit Czech, a.s. ("Debtor") to guarantee that the Guarantor shall satisfy the Company within fifteen business days of delivery of a written demand of the Creditor, in case the Debtor fails to fulfill any monetary obligation vis-a-vis the Creditor arising on the basis of or in connection with the Mid Term Loan Facility Agreement (2014, CZK 495.000.000) dated 06 August 2014 concluded between the Creditor and the Debtor and/or on the basis of or in connection with the other Finance documents. In addition, the Creditor is entitled to deliver to the Guarantor the mentioned written demand in the case that the Debtor has not paid its due monetary obligation within the period of three business days from its maturity.

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

8. Non-current loans receivable (continued)

(E) During 2015, the Company concluded the following agreements:

(1) On 23 February 2015, the Company ("Pledgee") entered into an "Agreement on pledge of receivables from agreements with natural persons" with Profi Credit Slovakia, s.r.o., ("Pledgor") according to which the parties have agreed on the creation of the pledge over the Receivables from Loan Facility Agreement dated 12 March 2013 to secure the Secured Receivables, including all monetary receivables of the Pledgee including interest and charges on the basis or in connection with the Loan Agreement up to the maximum amount of principal EUR 11.000.000.

On 15 June 2015, the Company ("Creditor") entered into an "Amendment No.1 to the Mid-Term Loan Agreement (EUR 13.200.000)" dated 22 May 2014 with Profi Credit Slovakia, s.r.o., ("Debtor") according to which the parties have agreed to increase the loan framework by EUR 5.000.000 and extend the availability period until 30 June 2015.

On 19 June 2015, the Company ("Pledgee") entered into an "Agreement on pledge of receivables from agreements with natural persons" with Profi Credit Slovakia, s.r.o., ("Pledgor") according to which the parties have agreed on the creation of the pledge over the Receivables from Loan Facility Agreement to secure the Secured Receivables, including all monetary receivables of the Pledgee including interest and charges on the basis or in connection with the Loan Agreement up to the maximum amount of principal EUR 18.200.000 (Mid Term Loan Facility Agreement dated 22 May 2014).

On 22 June 2015, the Company ("Creditor") concluded a Guarantee Declaration with Profireal Group SE ("Guarantor") and Profi Credit Slovakia, s.r.o., ("Debtor") to guarantee that the Guarantor shall satisfy the Company within fifteen business days of delivery of a written demand of the Creditor, in case the Debtor fails to fulfill any monetary obligation vis-a-vis the Creditor arising on the basis of or in connection with the Mid Term Loan Facility Agreement (2014, EUR 18.200.000) dated 22 May 2014 concluded between the Creditor and the Debtor and/or on the basis of or in connection with the other Finance documents. In addition, the Creditor is entitled to deliver to the Guarantor the mentioned written demand in the case that the Debtor has not paid its due monetary obligation within the period of three business days from its maturity.

(2) On 8 May 2015, Amendment No.3 to the Mid Term Loan Facility Agreement dated 7 June 2013 was concluded between the Company ("Lender") and Profi Credit Polska s.a., ("Borrower") for the assignment of rights and transfer of obligations under the Loan Facility Agreement from Profi Credit Poland Sp. z o.o., ("Original Borrower") to Profi Credit Sp. z o.o. ("New Borrower") with effect from 18 December 2014.

On 27 April 2015, the Company ("Pledgee") entered into an Amendment Agreement No.2 to the Agreement for the Registered Pledge over rights under the Bank Account dated 13 June 2014 with Profi Credit Polska, s.a., ("Pledgor") for the assignment of rights and transfer of obligations under the Pledge Agreement from Profi Credit Polska, s.a., ("Current Pledgor") to Profi Credit Sp. z o.o. ("New Pledgor") as from 18 December 2014.

On the same date, the Company ("Pledgee") entered into an Amendment Agreement No.2 to the Agreement for the Registered Pledge over rights under the Bank Account dated 7 June 2014 with Profi Credit Polska, s.a., ("Pledgor") for the assignment of rights and transfer of obligations under the Pledge Agreement from Profi Credit Polska, s.a., ("Current Pledgor") to Profi Credit Sp. z o.o. ("New Pledgor") as from 18 December 2014.

On 8 May 2015, the Company ("Assignee") entered into an Amendment Agreement No.2 to the Agreements for the security assignment of rights with Profi Credit Polska, s.a., ("Pledgor") for the assignment of rights and transfer of obligations under the Pledge Agreement from Profi Credit Polska, s.a., ("Current Pledgor") to Profi Credit Sp. z o.o. ("New Pledgor") as from 18 December 2014.

On the same date, the Company ("Pledgee") entered into an Amendment Agreement No.2 to the Agreement on establishment of pledge over receivables from Bank Account Contract for the security of assignment of rights and transfer of obligations under the Pledge Agreement from Profi Credit Polska, s.a., ("Current Pledgor") to Profi Credit Sp. z o.o. ("New Pledgor") as from 18 December 2014.

On 18 March 2015, the Company ("Creditor") concluded a Guarantee Declaration with Profireal Group SE ("Guarantor") and Profi Credit Sp. z o.o., ("Debtor") to guarantee that the Guarantor shall satisfy the Company

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

8. Non-current loans receivable (continued)

within fifteen business days of delivery of a written demand of the Creditor, in case the Debtor fails to fulfill any monetary obligation vis-a-vis the Creditor arising on the basis of or in connection with the Mid Term Loan Facility Agreement (2013, CZK 500.000.000) dated 07 June 2013 concluded between the Creditor and the Debtor and/or on the basis of or in connection with the other Finance documents. In addition, the Creditor is entitled to deliver to the Guarantor the mentioned written demand in the case that the Debtor has not paid its due monetary obligation within the period of three business days from its maturity.

On 18 March 2015, the Company ("Creditor") concluded a Guarantee Declaration with Profireal Group SE ("Guarantor") and Profi Credit Sp. z o.o., ("Debtor") to guarantee that the Guarantor shall satisfy the Company within fifteen business days of delivery of a written demand of the Creditor, in case the Debtor fails to fulfill any monetary obligation vis-a-vis the Creditor arising on the basis of or in connection with the Mid Term Loan Facility Agreement (2014, CZK 560.000.000) dated 13 June 2014 concluded between the Creditor and the Debtor and/or on the basis of or in connection with the other Finance documents. In addition, the Creditor is entitled to deliver to the Guarantor the mentioned written demand in the case that the Debtor has not paid its due monetary obligation within the period of three business days from its maturity.

On 10 September 2015, Amendment No.4 to the Mid Term Loan Facility Agreement dated 7 June 2013 was concluded between the Company ("Lender") and Profi Credit Polska s.a, ("Borrower") for the assignment of rights and transfer of obligations under the Loan Facility Agreement from Profi Credit Poland Sp. z o.o., ("Original Borrower") to Profi Credit Sp. z o.o. ("New Borrower") with effect from 18 December 2014.

(3) On 15 June 2015, Amendment No.1 to the Mid-Term Loan Agreement dated 6 August 2014 was concluded between the Company ("Lender") and Profi Credit Czech, a.s., ("Borrower") for the change of the maximum amount to CZK 430.000.000 for the period from 1 October 2014 to 30 June 2015 (inclusive).

On 23 June 2015, the Company ("Pledgee") entered into an "Agreement on pledge of receivables from agreements with natural persons" with Profi Credit Czech, a.s., ("Pledgor") according to which the parties have agreed on the creation of the pledge over the Receivables from Loan Facility Agreement to secure the Secured Receivables, including all monetary receivables of the Pledgee including interest and charges on the basis or in connection with the Loan Agreement up to the maximum amount of principal CZK 495.000.000 (Mid Term Loan Facility Agreement dated 06 August 2014).

The fair value of receivable loans approximates to their carrying amounts as presented above.

The effective interest rates on receivables (current and non-current) were as follows:

	30/06/2016	31/12/2015
Loans receivable	8,00% - 8,9474%	8,00% - 9,4444%

9. Trade and other receivables

	30/06/2016	31/12/2015
	CZK	CZK
Trade receivables	1.388.723	130.538
Deposits and prepayments	108	508
Accrued income	-	1.388.723
Deferred expenses	-	79.065
Other receivables	39.130	39.052
	<u>1.427.961</u>	<u>1.637.886</u>

The Company does not hold any collateral over the trading balances.

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

9. Trade and other receivables (continued)

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

10. Cash at bank and in hand

	30/06/2016	31/12/2015
	CZK	CZK
Cash at bank and in hand	<u>114.444.575</u>	<u>22.385.157</u>
	<u>114.444.575</u>	<u>22.385.157</u>

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	30/06/2016	31/12/2015
	CZK	CZK
Cash at bank and in hand	114.444.575	22.385.157
Bank overdrafts (Note 13)	<u>(97.012.876)</u>	<u>(497.532.133)</u>
	<u>17.431.699</u>	<u>(475.146.976)</u>

Currency:

	30/06/2016	31/12/2015
	CZK	CZK
Czech Koruna	24.471.529	(333.232.141)
Euro	(5.521.111)	(133.268.398)
Accrued interest on bank overdraft	<u>(1.518.719)</u>	<u>(8.646.437)</u>
	<u>17.431.699</u>	<u>(475.146.976)</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in of the financial statements.

11. Share capital

	30/06/2016	30/06/2016	31/12/2015	31/12/2015
	Number of	CZK	Number of	CZK
	shares		shares	
Authorised				
Ordinary shares of €1 each	<u>25.630</u>	<u>638.308</u>	<u>25.630</u>	<u>638.308</u>
Issued and fully paid				
Balance at 1 January	<u>25.630</u>	<u>638.308</u>	<u>25.630</u>	<u>638.308</u>
Balance at 30 June 2016 / 31 December 2015	<u>25.630</u>	<u>638.308</u>	<u>25.630</u>	<u>638.308</u>

12. Other reserves

	Capital reserve	Total
	CZK	CZK
Balance at 1 January 2015	257.350	257.350
Capital contribution from shareholders	<u>136.950</u>	<u>136.950</u>
Balance at 30 June 2015 / 01 July 2015	<u>394.300</u>	<u>394.300</u>
Balance at 31 December 2015 / 01 January 2016	<u>394.300</u>	<u>394.300</u>
Balance at 30 June 2016	<u>394.300</u>	<u>394.300</u>

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings

	30/06/2016	31/12/2015
	CZK	CZK
Balance at 1 January	812.819.884	508.217.271
Additions	-	816.950.000
Repayments	(20.797.150)	(558.951.779)
Interest for the year	27.712.100	76.292.090
Exchange differences	1.053.104	(9.306.075)
Capitalised expenses	-	(20.381.623)
Balance at 30 June 2016 / 31 December 2015	<u>820.787.938</u>	<u>812.819.884</u>

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

	30/06/2016	31/12/2015
	CZK	CZK
Current borrowings		
Bank overdrafts (Note 10)	97.012.876	497.532.133
Debentures	<u>820.787.938</u>	<u>812.819.884</u>
	<u>917.800.814</u>	<u>1.310.352.017</u>

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

[I] BANK OVERDRAFTS

(A) During the period ended 31 December 2011, the Company concluded the following agreements.

1) On 04 April 2011, the Company ("Debtor") entered into a "Bank Overdraft Contract" with J&T Banka, a.s. ("Bank") for the provision of a Bank Overdraft for the amount of CZK 440.000.000.

According to the Agreement, the parties agreed the following:

- (a) Bank Overdraft shall be provided to the maximum amount of CZK 440.000.000,
- (b) the Bank Overdraft bears interest at the rate of the 3 month Pribor plus a margin of 5,25% per annum and is payable monthly on the first day of the following month, and
- (c) the repayment date of the Bank Overdraft is until 15 July 2015 at the latest.

However, according to various amendments concluded, the maximum amount of the Bank Overdraft was amended to CZK 415.000.000 and the interest rate has been decreased to 3 month Pribor plus a margin of 4,25% per annum (with the minimum being 10% per annum).

The above Bank Overdraft is secured as follows:

- (1) By a Blank Promissory Note,
- (2) By a pledge of 100% shares of the Company, and
- (3) By a pledge on the receivable amount (i.e. CZK 550.000.000) from Profi Credit Czech, a.s. according to the "Mid Term Loan Facility Agreement" (mentioned in Note 8).

Further to the securities of the Bank Overdraft, on 21 May 2014, the Company ("Assignor") entered into a "Contract on Securing Assignment of Receivable" with J&T Banka, a.s. ("Assignee") for securing the Assignor's obligation towards the Assignee which has arisen on the basis or in connection with Credit Contract No. CZK 13/KTK/2011, concluded on 4 April 2011 as amended by Amendment Nos. 1,2,3,4,5 and 6 on the basis of which the Assignee will provide the Assignor with the credit in the amount of CZK 190.000.000.

The sum of the receivable assigned as of 30 April 2014 is CZK 154.257.720 on the basis on the Loan Agreement concluded on 10 March 2011 including any amendments between the Assignor and the Debtor ("Profi Credit Czech, a.s.") with an interest rate at 8,5% per annum.

On 8 January 2016, J&T Banka, a.s. ("Bank") has sent a 'Confirmation on settlement of receivable of J&T Banka, a.s. resulting from the contract dated 4 April 2011' to the Company ("Client") to confirm that all outstanding amounts in relation to the Credit Contract No. CZK 13/KTK/2011 were repaid and all rights of the Bank to secure the above mentioned receivable were also terminated.

2) On 02 November 2011, the Company ("Client") entered into an "Agreement on Bank Overdraft" with J&T Banka, a.s. ("Bank") for the provision of a Bank Overdraft for the amount of EUR 13.000.000.

According to the Agreement, the parties agreed the following:

- (a) Bank Overdraft shall be provided to the maximum amount of EUR 13.000.000,
- (b) the Bank Overdraft bears interest at the rate of the monthly Euribor reference rate plus a margin of 5,25% per annum which is payable monthly on the first day of the following month, and
- (c) the repayment date of the Bank Overdraft is until 15 July 2015.

The above Bank Overdraft is secured as follows:

- (1) By a Blank Bill of Exchange,
- (2) By a pledge on the amount of receivables from a Bank account, and
- (3) By a pledge on the receivable amount (i.e. EUR 11.000.000) from Profit Credit Slovakia, s.r.o. according to the "Mid Term Loan Facility Agreement" (mentioned in Note 8).

On 27 June 2014, the Company entered into Amendment No.5 to the Agreement on Bank Overdraft dated 02 November 2011 with J&T Banka, a.s. for the change of the interest rate to monthly Euribor plus a margin of 5,25% per annum. However, the bank overdraft interest cannot be lower than 8,25% per annum.

The change in the interest rate is effective from 1st July 2014.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

In addition, on 06 August 2014, the Company ("Pledger") entered into a "Contract on establishment of pledge to claims" with J&T Banka, a.s. ("Pledgee") in relation to the Agreement on Bank Overdraft dated 02 November 2011 concluded with J&T Banka, a.s., according to which the Company has established a right of lien to the object of pledge for the purpose of collateral to claims of the pledgee.

The Company established a right of lien in favour of the Pledgee to the following claims:

- (a) Claim towards Profit Credit Slovakia, s.r.o. up to the amount of EUR 11.000.000 ("Claim 1"), and
- (b) Claim towards Profit Credit Slovakia, s.r.o. up to the amount of EUR 9.000.000 ("Claim 2").

The bank overdraft was repaid until 15 July 2015.

(B) During 2012, the Company concluded the following agreements.

1) On 28 March 2012, the Company entered into Amendment No.2 to the "Bank Overdraft Contract" with J&T Banka, a.s. for the change of the interest rate to 3 month Pribor plus a margin of 4,25% per annum and 1% per annum of the Bank Overdraft framework as the reservation fee.

On 19 October 2012, the Company entered into Amendment No.3 to the "Bank Overdraft Contract" with J&T Banka, a.s. for the change of the Bank Overdraft maximum amount to CZK 190.000.000, the change of the interest rate to 3 month Pribor plus a margin of 6,10% per annum and extension of the repayment date to 30 April 2016.

The above Bank Overdraft is secured as follows:

- (1) By a Blank Bill of Exchange,
- (2) By a pledge of 25.630 shares of the Company,
- (3) By a pledge to the receivable (from account of debt services) towards J&T Banka, a.s., and
- (4) By a pledge to the receivables (from all accounts kept by the Debtor in the Bank) towards J&T Banka, a.s.

However, on 19 October 2012, the Company also entered into an "Agreement for the Termination of Contract on Securing Assignment of Receivable", according to which the pledge on the receivable amount from Profi Credit Czech, a.s. has been terminated.

2) On 17 April 2012, the Company entered into Amendment No.2 to the Agreement on Bank Overdraft dated 02 November 2011 with J&T Banka, a.s. for the change of the bank overdraft up to EUR 20.000.000.

On 05 December 2012, the Company entered into Amendment No.3 to the Agreement on Bank Overdraft dated 02 November 2011 with J&T Banka, a.s. for the change of the bank overdraft up to EUR 9.000.000 and the change of the interest rate to monthly Euribor plus a margin of 6,10% per annum. However, the bank overdraft interest cannot be lower than 9,10% per annum.

3) On 14 November 2012, the Company entered into a "Subordination Agreement" with J&T Banka, a.s., according to which the parties agreed that in the event of (i) a continuing breach or (ii) restructuring, the claims of the bank according to (A) 1) and (A) 2) above (subordinated claims, "Bank Overdraft Contract" dated 04 April 2011 and "Agreement on Bank Overdraft" dated 02 November 2011) shall be junior to the preferential claims (all claims of the owners of the bonds); and in such cases, the subordinated claims shall be satisfied by the Company or from the Company's property, only after the preferential claims have been fully satisfied.

Preferential claims relate to the bonds issued by the Company in both CZK and EUR.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

(C) During 2013, the Company concluded the following agreements.

1) On 8 March 2013, the Company ("Debtor") entered into "Bank Overdraft Contract" with J&T Banka, a.s. ("Bank") for the provision of a Bank Overdraft for the amount of EUR 5.800.000.

According to the agreement, the parties agreed the following:

- (a) Bank Overdraft shall be provided to the maximum amount of EUR 5.800.000,
- (b) the Bank Overdraft bears interest at the rate of the 3 month Euribor plus a margin of 3,75% per annum and 1% per annum of the Bank Overdraft framework as the reservation fee and are both payable monthly on the first day of the following month, and
- (c) the repayment date of the Bank Overdraft is until 31 January 2017 at the latest.

The above Bank Overdraft is secured as follows:

- (1) By a Blank Promissory Note,
- (2) By the conclusion of the agreement on the right to fill a promissory note in the form and wording suiting to the Bank,
- (3) The securing assignment of receivable towards company Profi Credit Slovakia, s.r.o., and
- (4) By a pledge to the receivable of current account no. 2500032884/5800 kept with J&T Banka, a.s.

The parties have agreed that the Company can draw the bank overdraft in terms and amounts as follows

- (1) From 8 March 2013 to 31 March 2013, the maximum amount to be drawn is EUR 3.300.000
- (2) From 1 April 2013 to 30 September 2013, the maximum amount to be drawn is EUR 5.800.000
- (3) From 1 October 2013 to 31 December 2013, the maximum amount to be drawn is EUR 5.420.000.

However, based on Amendment No.3 signed on 21 November 2013, the maximum amount to be drawn is EUR 10.800.000.

In addition, on 18 March 2014, the Company concluded an "Agreement for Termination of Contract on Securing Assignment of Receivable" with the bank, according to which the securing assignment of receivable towards Profi Credit Slovakia, s.r.o. has been terminated to the date of signing of this Agreement.

Finally, on 18 March 2014, the Company concluded Amendment No.4 to the Bank Overdraft EUR 12/KTK/2013 dated 8 March 2013, for the decrease of the maximum amount to be drawn to EUR 6.400.000 and the increase of the interest rate to 3 month Euribor plus a margin of 4,75% per annum.

On 17 September 2015, Company concluded Amendment No.5 to the Bank Overdraft EUR 12/KTK/2013 dated 8 March 2013, for the decrease of the maximum amount to be drawn to EUR 4.100.000 and the decrease of the interest rate to 3 month Euribor plus a margin of 3,75% per annum.

Further to securities of Bank Overdraft, on 23 September 2015, the Company ("Assignor") entered into a "Contract on Securing Assignment of Receivable" with J&T Banka, a.s. ("Assignee") for securing the the Assignor's obligation towards the Assignee which has arisen on the basis or in connection with Credit Contract No. EUR /KTK/2013 concluded on 8 March 2013 as amended by amendments No. 1- 5, on the basis of which the Assignee will provide the Assignor with the credit in the amount of EUR 4.100.000.

The sum of receivable assigned as of 23 September 2015 is EUR 3.828.968 on the basis of the Loan Agreement concluded on 8 March 2013 including any amendments between the Assignor and the Debtor ("Profi Credit Slovakia, s.r.o.") with an interest rate at 8,8888% per annum.

On 30 December 2015, Company concluded Amendment No.6 to the Bank Overdraft EUR 12/KTK/2013 dated 8 March 2013, for the decrease of the maximum amount to be drawn to EUR 3.200.000.

On 1 March 2016, Company concluded Amendment No.7 to the Bank Overdraft EUR 12/KTK/2013 dated 8 March 2013 for the change of the repayment date to 31 January 2017.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

2) On 8 March 2013, the Company ("Debtor") entered into another "Bank Overdraft Contract" with J&T Banka, a.s. ("Bank") for the provision of a Bank Overdraft for the amount of CZK 380.000.000.

According to the agreement, the parties agreed the following:

- (a) Bank Overdraft shall be provided to the maximum amount of CZK 380.000.000,
- (b) the Bank Overdraft bears interest at the rate of the 3 month Pribor plus a margin of 3,75% per annum and 1% per annum of the Bank Overdraft framework as the reservation fee and are both payable monthly on the first day of the following month, and
- (c) the repayment date of the Bank Overdraft is until 31 January 2017 at the latest.

The above Bank Overdraft is secured as follows:

- (1) By a Blank Promissory Note,
- (2) By the conclusion of the agreement on the right to fill a promissory note in the form and wording suiting to the Bank,
- (3) The securing assignment of receivable towards company Profi Credit Czech, a.s.,
- (4) By a pledge to the receivable (from account of debt services) towards J&T Banka, a.s., and
- (5) By a pledge to the receivables (all accounts kept by the Debtor in the Bank) towards J&T Banka, a.s.

The parties have agreed that the Company can draw the bank overdraft in terms and amounts as follows

- (1) From the moment of signing of the Contract to 31 March 2013, the maximum amount to be drawn is CZK 100.000.000
- (2) From 1 April 2013 to 30 June 2013, the maximum amount to be drawn is CZK 210.000.000
- (3) From 1 July 2013 to 30 September 2013, the maximum amount to be drawn is CZK 290.000.000
- (4) From 1 October 2013 to 31 December 2013, the maximum amount to be drawn is CZK 380.000.000.

However, on 25 February 2014, the Company concluded an "Agreement for Termination of Contract on Securing Assignment of Receivable" with the bank, according to which the securing assignment of receivable towards company Profi Credit Czech, a.s. has been terminated without coming into force.

In addition, on 25 February 2014, the Company concluded Amendment No.2 to the Bank Overdraft Contract no. CZK 11/KTK/2013 dated 8 March 2013, for the decrease of the Bank Overdraft amount to the maximum amount of CZK 185.000.000 and the increase of the interest rate to 3 month Pribor plus a margin of 4,80% per annum.

Furthermore, on 25 May 2015, the Company concluded Amendment No.3 to the Bank Overdraft Contract no. CZK 11/KTK/2013 dated 8 March 2013, for the decrease of the Bank Overdraft amount to the maximum amount of CZK 148.000.000 and the decrease of the interest rate to 3 month Pribor plus a margin of 3,75% per annum.

Further to the securities of the Bank Overdraft, on 1 June 2015, the Company ("Assignor") entered into a "Contract on Securing Assignment of Receivable" with J&T Banka, a.s. ("Assignee") for securing the Assignor's obligation towards the Assignee which has arisen on the basis or in connection with Credit Contract No. CZK 11/KTK/2013, concluded on 8 March 2013 as amended by Amendment Nos. 1,2 and 3 on the basis of which the Assignee will provide the Assignor with the credit in the amount of CZK 148.000.000.

The sum of the receivable assigned as of 1 June 2015 is CZK 135.983.705 on the basis on the Loan Agreement concluded on 12 March 2013 including any amendments between the Assignor and the Debtor ("Profi Credit Czech, a.s.") with an interest rate at 8% per annum.

On 17 September 2015, the Company concluded Amendment No.4 to the Bank Overdraft Contract no. CZK 11/KTK/2013 dated 8 March 2013, for the decrease of the Bank Overdraft amount to the maximum amount of CZK 123.000.000.

In addition, on 30 December 2015, the Company concluded Amendment No.5 to the Bank Overdraft Contract no. CZK 11/KTK/2013 dated 8 March 2013, for the decrease of the Bank Overdraft amount to the maximum amount of CZK 85.000.000.

On 1 March 2016, the Company concluded Amendment No.6 to the Bank Overdraft Contract no. CZK 11/KTK/2013 dated 8 March 2013 for the change of the repayment date to 31 January 2017.

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

3) On 20 June 2013, the Company ("Debtor") entered into another "Bank Overdraft Contract" with J&T Banka, a.s. ("Bank") for the provision of a Bank Overdraft for the amount of CZK 110.000.000.

According to the agreement, the parties agreed the following:

- (a) Bank Overdraft shall be provided to the maximum amount of CZK 110.000.000,
- (b) the Bank Overdraft bears interest at the rate of the 3 month Pribor plus a margin of 4,75% per annum and 1% per annum of the Bank Overdraft framework as the reservation fee and are both payable monthly on the first day of the following month, and
- (c) the repayment date of the Bank Overdraft is until 31 January 2017 at the latest.

The above Bank Overdraft is secured as follows:

- (1) By a Blank Promissory Note,
- (2) By the conclusion of the agreement on the right to fill a promissory note in the form and wording suiting to the bank,
- (3) The securing assignment of receivable towards company Profi Credit Poland Sp. z o.o., and
- (4) By a pledge to the receivables (all accounts kept by the Debtor in the Bank) towards J&T Banka, a.s.

According to Amendment No.1 to the Bank Overdraft Contract, concluded on 9 July 2013, the maximum amount of the overdraft has been increased to CZK 440.000.000.

The parties have agreed that the Company can draw the bank overdraft in terms and amounts as follows

- (1) From the moment of signing of Amendment No.1 to 31 July 2013, the maximum amount to be drawn is CZK 156.000.000
- (2) From 1 August 2013 to 15 September 2013, the maximum amount to be drawn is CZK 237.000.000
- (3) From 16 September 2013 to 31 December 2013, the maximum amount to be drawn is CZK 345.000.000.

However, based on Amendment No.5 signed on 26 November 2013, the maximum amount to be drawn is CZK 400.000.000.

Furthermore, on 18 December 2013, the Company concluded Amendment No.6 to the Bank Overdraft Contract CZK 25/KTK/2013 dated 20 June 2013, based on which the maximum amount to be drawn from 18 December 2013 to 31 March 2014, is CZK 440.000.000.

In addition, on 18 March 2014, the Company concluded an "Agreement for Termination of Contract on Securing Assignment of Receivable" with the bank, according to which the securing assignment of receivable towards company Profi Credit Poland Sp. z o.o. has been terminated to the date of signing of this Agreement.

Finally, on 18 March 2014, the Company concluded Amendment No.7 to the Bank Overdraft CZK 25/KTK/2013 dated 20 June 2013, for the decrease of the maximum amount to be drawn to CZK 245.000.000 and the increase of the interest rate to 3 month Pribor plus a margin of 5,25% per annum.

Further to the securities of the Bank Overdraft, on 23 September 2015, the Company ("Assignor") entered into a "Contract on Securing Assignment of Receivable" with J&T Banka, a.s. ("Assignee") for securing the Assignor's obligation towards the Assignee which has arisen on the basis or in connection with Credit Contract No. CZK 25/KTK/2013, concluded on 20 June 2013 as amended by Amendments Nos. 1-7 on the basis of which the Assignee will provide the Assignor with the credit in the amount of CZK 245.000.000.

The sum of the receivable assigned as of 1 June 2015 is CZK 203.627.352 on the basis of the Loan Agreement concluded on 20 June 2013 including any amendments between the Assignor and the Debtor ("Profi Credit Poland Sp. z o.o.") with an interest rate at 8,9474% per annum.

On 17 September 2015, the Company concluded Amendment No. 8 to the Bank Overdraft Contract CZK 25/KTK/2013 dated 20 June 2013 for the decrease of the Bank Overdraft amount to the maximum amount of CZK 200.000.000 and the decrease of the interest rate to 3 month Pribor plus a margin of 4,75% per annum.

On 30 December 2015, the Company concluded Amendment No. 9 to the Bank Overdraft Contract CZK 25/KTK/2013 dated 20 June 2013 for the decrease of the Bank Overdraft amount to the maximum amount of CZK 140.000.000.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

On 4 March 2016, the Company concluded Amendment No. 10 to the Bank Overdraft Contract CZK 25/KTK/2013 dated 20 June 2013 for the change of the repayment date to 31 January 2017.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

(D) During 2014, the Company concluded the following agreements.

1) On 27 June 2014, the Company ("Debtor") entered into "Bank Overdraft Contract" with J&T Banka, a.s. ("Bank") for the provision of a Bank Overdraft for the amount of CZK 500.000.000.

According to the agreement, the parties agreed the following:

- (a) Bank Overdraft shall be provided to the maximum amount of CZK 500.000.000,
- (b) the Bank Overdraft bears interest at the rate of the 3 month Pribor plus a margin of 4,75% per annum (with the minimum being 7,75% per annum) and 1% per annum of the Bank Overdraft framework as the reservation fee and are both payable monthly on the first day of the following month, and
- (c) the repayment date of the Bank Overdraft is until 31 January 2018 at the latest.

The above Bank Overdraft is secured as follows:

- (1) By a Blank Promissory Note,
- (2) By the conclusion of the agreement on the right to fill a promissory note in the form and wording suiting to the Bank,
- (3) The securing assignment of receivable towards company Profi Credit Poland Sp. z o.o., and
- (4) By a pledge to the receivable of current account no. CZK 34/KTK/2014 kept with J&T Banka, a.s.

The parties have agreed that the Company can draw the bank overdraft in terms and amounts as follows

- (1) From the signing date of the Agreement until 31 July 2014, the maximum amount to be drawn is CZK 220.000.000
- (2) From 1 August 2014 to 30 September 2014, the maximum amount to be drawn is CZK 400.000.000
- (3) From 1 October 2014 to 31 December 2014, the maximum amount to be drawn is CZK 500.000.000.

However, on 6 January 2015, the Company concluded an "Agreement for Termination of Contract on Securing Assignment of Receivable" with the bank, according to which the securing assignment of receivable towards Profi Credit Poland Sp. z o.o. has been terminated to the date of signing of this Agreement.

In addition, on 8 January 2015, the Company concluded Amendment No.1 to the Bank Overdraft dated 27 June 2014, to amend the following terms of the Contract:

- (i) the elimination of the reservation fee;
- (ii) the increase of interest rate to 3 month Pribor plus a margin of 5,65% per annum (with the minimum being 8,65% per annum); and
- (iii) the decrease of the bank overdraft up to the amount of CZK 245.000.000.

On 30 December 2015, the Company concluded Amendment No. 2 to the Bank Overdraft dated 27 June 2014 for the decrease of the bank overdraft to the maximum amount of CZK 80.000.000.

On 1 April 2016, the Company concluded Amendment No. 3 to the Bank Overdraft dated 27 June 2014 for the change of provisions in articles of the Bank Overdraft.

2) On 25 July 2014, the Company ("Debtor") entered into "Bank Overdraft Contract" with J&T Banka, a.s. ("Bank") for the provision of a Bank Overdraft for the amount of EUR 12.000.000.

According to the agreement, the parties agreed the following:

- (a) Bank Overdraft shall be provided to the maximum amount of EUR 12.000.000,
- (b) the Bank Overdraft bears interest at the rate of the 3 month Euribor plus a margin of 3,75% per annum (with the minimum being 6,75% per annum) and 1% per annum of the Bank Overdraft framework as the reservation fee and are both payable monthly on the first day of the following month, and
- (c) the repayment date of the Bank Overdraft is until 31 January 2018 at the latest.

The above Bank Overdraft is secured as follows:

- (1) By a Blank Promissory Note,
- (2) By the conclusion of the agreement on the right to fill a promissory note in the form and wording suiting to the

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

Bank,

- (3) The securing assignment of receivable towards company Profi Credit Slovakia, s.r.o., and
- (4) By a pledge to the receivable of current account no. EUR 39/KTK/2014 kept with J&T Banka, a.s.

The parties have agreed that the Company can draw the bank overdraft in terms and amounts as follows

- (1) From the signing date of the Agreement until 31 July 2014, the maximum amount to be drawn is EUR 5.670.000
- (2) From 1 August 2014 to 30 September 2014, the maximum amount to be drawn is EUR 8.700.000
- (3) From 1 October 2014 to 31 December 2014, the maximum amount to be drawn is EUR 12.000.000.

However, on 29 December 2014, the Company concluded Amendment No.1 to the Bank Overdraft dated 25 July 2014, for the increase of the maximum amount to be drawn to EUR 17.000.000, the extension of the availability period of funds drawing to 30 April 2015 and the extension of the repayment date to 29 May 2018.

In addition, on 6 January 2015, the Company concluded an "Agreement for Termination of Contract on Securing Assignment of Receivable" with the bank, according to which the securing assignment of receivable towards Profi Credit Slovakia, s.r.o. has been terminated to the date of signing of this Agreement.

Finally, on 8 January 2015, the Company concluded Amendment No.2 to the Bank Overdraft dated 25 July 2014, to amend the following terms of the Contract:

- (i) the elimination of the reservation fee;
- (ii) the increase of interest rate to 3 month Euribor plus a margin of 5,25% per annum (with the minimum being 8,25% per annum); and
- (iii) the decrease of the bank overdraft up to the amount of EUR 6.000.000.

Additionally, on 27 April 2015, the Company concluded Amendment No.3 to the Bank Overdraft dated 25 July 2014, to amend the period of availability funds drawing until 30 June 2015.

On 30 December 2015, the Company concluded Amendment No. 4 to the Bank Overdraft dated 25 July 2014 to decrease the bank overdraft up to the amount of EUR 3.300.000.

On 1 April 2016, the Company concluded Amendment No. 5 to the Bank Overdraft dated 25 July 2014 for the change of provisions in articles of the Bank Overdraft.

3) On 15 August 2014, the Company ("Debtor") entered into "Bank Overdraft Contract" with J&T Banka, a.s. ("Bank") for the provision of a Bank Overdraft for the amount of CZK 430.000.000.

According to the agreement, the parties agreed the following:

- (a) Bank Overdraft shall be provided to the maximum amount of CZK 430.000.000,
- (b) the Bank Overdraft bears interest at the rate of the 3 month Pribor plus a margin of 3,75% per annum (with the minimum being 6,75% per annum) and 1% per annum of the Bank Overdraft framework as the reservation fee and are both payable monthly on the first day of the following month, and
- (c) the repayment date of the Bank Overdraft is until 31 January 2018 at the latest.

The above Bank Overdraft is secured as follows:

- (1) By a Blank Promissory Note,
- (2) By the conclusion of the agreement on the right to fill a promissory note in the form and wording suiting to the Bank,
- (3) The securing assignment of receivable towards company Profi Credit Czech, a.s., and
- (4) By a pledge to the receivable of current account no. CZK 35/KTK/2014-ZPBU1 kept with J&T Banka, a.s.

The parties have agreed that the Company can draw the bank overdraft in terms and amounts as follows

- (1) From the signing date of the Agreement until 31 August 2014, the maximum amount to be drawn is CZK 250.000.000
- (2) From 1 September 2014 to 30 September 2014, the maximum amount to be drawn is CZK 310.000.000
- (3) From 1 October 2014 to 31 December 2014, the maximum amount to be drawn is CZK 430.000.000.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

However, on 29 December 2014, the Company concluded Amendment No.1 to the Bank Overdraft dated 15 August 2014, for the extension of the availability period of funds drawing to 30 April 2015 and the extension of the repayment date to 29 May 2018.

In addition, on 6 January 2015, the Company concluded an "Agreement for Termination of Contract on Securing Assignment of Receivable" with the bank, according to which the securing assignment of receivable towards Profi Credit Czech, a.s. has been terminated to the date of signing of this Agreement.

Finally, on 8 January 2015, the Company concluded Amendment No.2 to the Bank Overdraft dated 15 August 2014, to amend the following terms of the Contract:

- (i) the elimination of the reservation fee;
- (ii) the increase of interest rate to 3 month Pribor plus a margin of 5,40% per annum (with the minimum being 8,40% per annum); and
- (iii) the decrease of the bank overdraft up to the amount of CZK 180.000.000.

Additionally, on 27 April 2015, the Company concluded Amendment No.3 to the Bank Overdraft dated 15 August 2014, to amend the period of availability funds drawing until 30 June 2015.

On 30 December 2015, the Company concluded Amendment No.4 to the Bank Overdraft dated 15 August 2014 for the decrease of the bank overdraft up to the amount of CZK 50.000.000.

On 1 April 2016, the Company concluded Amendment No. 5 to the Bank Overdraft dated 15 August 2014 for the change of provisions in articles of the Bank Overdraft.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

[II] DEBENTURES

(A) During 2014, the Company concluded the following agreements relating to Debentures.

1) On 18 February 2014, the Company ("Issuer") entered into a Special Arrangement to Contract for Placement of Bonds with J&T Banka, a.s. ("Lead Manager") for the issuance of Czech Republic book entry Bonds with a fixed interest income of 5,80% per annum in the estimated volume of CZK 195.000.000 with the nominal value of each bond amounting to CZK 3.000.000. The issue date was set at 25 February 2014 and the maturity date is 25 May 2015. The interest payments are quarterly with the first due on 25 May 2014. Also, the Company has the option to issue additional bonds up to the total nominal value of CZK 292.500.000.

On 21 February 2014, the Company ("Issuer") concluded a Subordination Contract with J&T Banka, a.s. ("Subordinated creditor") and J&T IB and Capital Markets, a.s. ("Security agent"), according to which the parties have agreed that in case of a Decisive event, Subordinated claims (i.e., claims of the Subordinated creditor against the Issuer for the repayment of the bank overdraft according to the Bank Overdraft Contract no. CZK 11/KTK/2013 dated 8 March 2013) shall be subordinated to Preference claims (i.e., any future claims relating to bonds), and in such cases Subordinated claims may be satisfied by the Issuer or from the Issuer's assets, including the set-off with a comparable effect, only after Preference claims have been satisfied in full. The Security agent and/or the Issuer are obliged to notify the Subordinated creditor of the occurrence of a Decisive event in writing and without undue delay. As of the day of delivery of such written notification to the Subordinated creditor, the effects specified in this Contract shall apply with respect to the Subordinated creditor.

Decisive event shall mean (i) entry of the Issuer into liquidation, (ii) issuance of a decision on the bankruptcy of the Issuer, or (iii) other fact similar to the fact stated in (i) or other measure similar to the measure stated in (ii).

On 18 February 2014, the Company ("Issuer") entered into a Security Agent Contract with J&T IB and Capital Markets, a.s. ("Security Agent") to secure the Issuer's obligations from the Issue by security contracts between the Issuer as the pledgor and the Security Agent as the security party, by way of lien established over the Credit Claims and the Escrow Account Claims.

On 21 February 2014, the Company ("Pledgor") entered into a Receivables Pledge Agreement with J&T IB and Capital Markets, a.s. ("Pledgee"), according to which the Pledgor has undertaken to establish a Pledge over all of the Pledgor's existing and future receivables pertaining to the Debtor for the repayment of the provided loan and for payment of appurtenances arising under the Medium-Term Credit Agreement with a line of credit of CZK 425.000.000 concluded between the Pledgor, as a creditor, and the Debtor, as the debtor, on 12 March 2013.

On 25 May 2015, the Company has fully repaid the CZK bonds with nominal value in the amount of CZK 195.000.000.

2) On 06 March 2014, the Company ("Issuer") entered into a Special Arrangement to Contract for Placement of Bonds with J&T Banka, a.s. ("Lead Manager") for the issuance of Czech Republic book entry Bonds with a fixed interest income of 5,40% per annum in the estimated volume of EUR 4.400.000 with the nominal value of each bond amounting to EUR 200.000. The issue date was set at 17 March 2014 and the maturity date is 17 September 2015. The interest payments are quarterly with the first one due on 17 June 2014. Also, the Company has the option to issue additional bonds up to the total nominal value of EUR 6.600.000.

On 14 March 2014, the Company ("Issuer") concluded a Subordination Contract with J&T Banka, a.s. ("Subordinated creditor") and J&T IB and Capital Markets, a.s. ("Security agent"), according to which the parties have agreed that in case of a Decisive event, Subordinated claims (i.e., claims of the Subordinated creditor against the Issuer for the repayment of the bank overdraft according to the Bank Overdraft Contract no. CZK 12/KTK/2013 dated 8 March 2013) shall be subordinated to Preference claims (i.e., any future claims relating to bonds), and in such cases Subordinated claims may be satisfied by the Issuer or from the Issuer's assets, including the set-off with a comparable effect, only after Preference claims have been satisfied in full. The Security agent and/or the Issuer are obliged to notify the Subordinated creditor of the occurrence of a Decisive event in writing and without undue delay. As of the day of delivery of such written notification to the Subordinated

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

creditor, the effects specified in this Contract shall apply with respect to the Subordinated creditor.

Decisive event shall mean (i) entry of the Issuer into liquidation, (ii) issuance of a decision on the bankruptcy of the Issuer, or (iii) other fact similar to the fact stated in (i) or other measure similar to the measure stated in (ii).

On 18 March 2014, the Company ("Issuer") entered into a Security Agent Contract with J&T IB and Capital Markets, a.s. ("Security Agent") to secure the Issuer's obligations from the Issue by security contracts between the Issuer as the pledgor and the Security Agent as the security party, by way of lien established over the Credit Claims and the Escrow Account Claims.

On 31 March 2014, the Company ("Pledgor") entered into a Receivables Pledge Agreement with J&T IB and Capital Markets, a.s. ("Pledgee"), according to which the Pledgor has undertaken to establish a Pledge over all of the Pledgor's existing and future receivables pertaining to the Debtor for the repayment of the provided loan and for payment of appurtenances arising under the Medium-Term Credit Agreement with a line of credit of EUR 6.000.000 concluded between the Pledgor, as a creditor, and the Debtor, as the debtor, on 12 March 2013, amended by Amendment No.1 dated 18 November 2013 increasing the credit framework by EUR 5.000.000 to a total amount of EUR 11.000.000.

On 17 September 2015, the Company has fully repaid the EUR bonds with nominal value in the amount of EUR 4.400.000.

3) On 06 March 2014, the Company ("Issuer") entered into a Special Arrangement to Contract for Placement of Bonds with J&T Banka, a.s. ("Lead Manager") for the issuance of Czech Republic book entry Bonds with a fixed interest income of 5,40% per annum in the estimated volume of CZK 195.000.000 with the nominal value of each bond amounting to CZK 3.000.000. The issue date was set at 17 March 2014 and the maturity date is 17 September 2015. The interest payments are quarterly with the first one due on 17 June 2014. Also, the Company has the option to issue additional bonds up to the total nominal value of CZK 292.500.000.

On 14 March 2014, the Company ("Issuer") concluded a Subordination Contract with J&T Banka, a.s. ("Subordinated creditor") and J&T IB and Capital Markets, a.s. ("Security agent"), according to which the parties have agreed that in case of a Decisive event, Subordinated claims (i.e., claims of the Subordinated creditor against the Issuer for the repayment of the bank overdraft according to the Bank Overdraft Contract no. CZK 25/KTK/2013 dated 20 June 2013) shall be subordinated to Preference claims (i.e., any future claims relating to bonds), and in such cases Subordinated claims may be satisfied by the Issuer or from the Issuer's assets, including the set-off with a comparable effect, only after Preference claims have been satisfied in full.

The Security agent and/or the Issuer are obliged to notify the Subordinated creditor of the occurrence of a Decisive event in writing and without undue delay. As of the day of delivery of such written notification to the Subordinated creditor, the effects specified in this Contract shall apply with respect to the Subordinated creditor.

Decisive event shall mean (i) entry of the Issuer into liquidation, (ii) issuance of a decision on the bankruptcy of the Issuer, or (iii) other fact similar to the fact stated in (i) or other measure similar to the measure stated in (ii).

On 14 March 2014, the Company ("Issuer") entered into a Security Agent Contract with J&T IB and Capital Markets, a.s. ("Security Agent") to secure the Issuer's obligations from the Issue by security contracts between the Issuer as the pledgor and the Security Agent as the security party, by way of lien established over the Credit Claims and the Escrow Account Claims.

On 31 March 2014, the Company ("Pledgor") entered into a Receivables Pledge Agreement with J&T IB and Capital Markets, a.s. ("Pledgee"), according to which the Pledgor has undertaken to establish a Pledge over all of the Pledgor's existing and future receivables pertaining to the Debtor for the repayment of the provided loan and for payment of appurtenances arising under the Medium-Term Credit Agreement with a line of credit of CZK 500.000.000 concluded between the Pledgor, as a creditor, and the Debtor, as the debtor, on 07 June 2013, amended by Amendment No.1 dated 14 February 2014 for the change of the maximum amount to CZK 440.000.000 for the period from 1st January 2014 to 31st March 2014.

On 17 September 2015, the Company has fully repaid the CZK bonds with nominal value in the amount of CZK

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

195.000.000.

4) On 4 December 2014, the Company ("Issuer") entered into a Special Arrangement to Contract for Placement of Bonds with J&T Banka, a.s. ("Manager") for the issuance of Czech Republic book entry Bonds with a fixed interest income of 5,20% per annum in the estimated volume of CZK 270.000.000 with the nominal value of each bond amounting to CZK 3.000.000. The issue date was set at 6 January 2015 and the maturity date is 6 July 2016. The interest payments are quarterly with the first one due on 6 April 2015.

Also, the Company has the option to issue additional bonds up to the total nominal value of CZK 405.000.000.

On 5 January 2015, the Company ("Issuer") entered into a Security Agent Contract with J&T IB and Capital Markets, a.s. ("Security Agent") to secure the Issuer's obligations from the Issue by security contracts between the Issuer as the pledgor and the Security Agent as the security party, by way of lien established over the Credit Claims and the Escrow Account Claims.

On 05 January 2015, the Company ("Issuer") concluded a Subordination Contract with J&T Banka, a.s. ("Subordinated creditor") and J&T IB and Capital Markets, a.s. ("Security agent"), according to which the parties have agreed that in case of a Decisive event, Subordinated claims (i.e., claims of the Subordinated creditor against the Issuer for the repayment of the bank overdraft according to the Bank Overdraft Contract no. CZK 35/KTK/2014) shall be subordinated to Preference claims (i.e., any future claims relating to bonds), and in such cases Subordinated claims may be satisfied by the Issuer or from the Issuer's assets, including the set-off with a comparable effect, only after Preference claims have been satisfied in full.

The Security agent and/or the Issuer are obliged to notify the Subordinated creditor of the occurrence of a Decisive event in writing and without undue delay. As of the day of delivery of such written notification to the Subordinated creditor, the effects specified in this Contract shall apply with respect to the Subordinated creditor.

Decisive event shall mean (i) entry of the Issuer into liquidation, (ii) issuance of a decision on the bankruptcy of the Issuer, or (iii) other fact similar to the fact stated in (i) or other measure similar to the measure stated in (ii).

On 14 January 2015, the Company ("Pledgor") entered into a Receivables Pledge Agreement with J&T IB and Capital Markets, a.s. ("Pledgee"), according to which the Pledgor has undertaken to establish a Pledge over all of the Pledgor's existing and future receivables pertaining to the Debtor for the repayment of the provided loan and for payment of appurtenances arising under the Medium-Term Credit Agreement with a line of credit of CZK 495.000.000, concluded between the Pledgor, as a creditor, and the Debtor (Profi Credit Czech, a.s.), as the debtor, on 06 August 2014.

Also, the pledge has been registered with the Cyprus Registrar of Companies on 6 February 2015.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

5) On 4 December 2014, the Company ("Issuer") entered into a Special Arrangement to Contract for Placement of Bonds with J&T Banka, a.s. ("Manager") for the issuance of Czech Republic book entry Bonds with a fixed interest income of 5,20% per annum in the estimated volume of EUR 10.000.000 with the nominal value of each bond amounting to EUR 100.000. The issue date was set at 6 January 2015 and the maturity date is 6 July 2016. The interest payments are quarterly with the first one due on 6 April 2015.

Also, the Company has the option to issue additional bonds up to the total nominal value of EUR 15.000.000.

On 5 January 2015, the Company ("Issuer") entered into a Security Agent Contract with J&T IB and Capital Markets, a.s. ("Security Agent") to secure the Issuer's obligations from the Issue by security contracts between the Issuer as the pledgor and the Security Agent as the security party, by way of lien established over the Credit Claims and the Escrow Account Claims.

On 23 January 2015, the Company ("Pledgor") entered into a Receivables Pledge Agreement with J&T IB and Capital Markets, a.s. ("Pledgee"), according to which the Pledgor has undertaken to establish a Pledge over all of the Pledgor's existing and future receivables pertaining to the Debtor for the repayment of the provided loan and for payment of appurtenances arising under the Medium-Term Credit Agreement with a line of credit of EUR 13.200.000 concluded between the Pledgor, as the creditor, and the Debtor, as the debtor, on 22 May 2014.

On 5 January 2015, the Company ("Issuer") concluded a Subordination Contract with J&T Banka, a.s. ("Subordinated creditor") and J&T IB and Capital Markets, a.s. ("Security agent"), according to which the parties have agreed that in case of a Decisive event, Subordinated claims (i.e., claims of the Subordinated creditor against the Issuer for the repayment of the bank overdraft according to the Bank Overdraft Contract no. EUR 39/KTK/2014) shall be subordinated to Preference claims (i.e., any future claims relating to bonds), and in such cases Subordinated claims may be satisfied by the Issuer or from the Issuer's assets, including the set-off with a comparable effect, only after Preference claims have been satisfied in full.

The Security agent and/or the Issuer are obliged to notify the Subordinated creditor of the occurrence of a Decisive event in writing and without undue delay. As of the day of delivery of such written notification to the Subordinated creditor, the effects specified in this Contract shall apply with respect to the Subordinated creditor.

Decisive event shall mean (i) entry of the Issuer into liquidation, (ii) issuance of a decision on the bankruptcy of the Issuer, or (iii) other fact similar to the fact stated in (i) or other measure similar to the measure stated in (ii).

On 23 January 2015, the Company ("Pledgor") entered into a Receivables Pledge Agreement with J&T IB and Capital Markets, a.s. ("Pledgee"), according to which the Pledgor has undertaken to establish a Pledge over all of the Pledgor's existing and future receivables pertaining to the Debtor (Profi Credit Slovakia, s.r.o.) for the repayment of the provided loan and for payment of appurtenances arising under the Medium-Term Credit Agreement (2014, EUR 13.200.000) with a line of credit of EUR 13.200.000 concluded between the Pledgor, as a creditor, and the Debtor, as the debtor, on 22 May 2014.

Also, the pledge has been registered with the Cyprus Registrar of Companies on 6 February 2015.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

6) On 04 December 2014, the Company ("Issuer") entered into a Special Arrangement to Contract for Placement of Bonds with J&T Banka, a.s. ("Manager") for the issuance of Czech Republic book entry Bonds with a fixed interest income of 5,00% per annum in the estimated volume of CZK 270.000.000 with the nominal value of each bond amounting to CZK 3.000.000. The issue date was set at 06 January 2015 and the maturity date is 6 July 2016. The interest payments are quarterly with the first one due on 6 April 2015. Also, the Company has the option to issue additional bonds up to the total nominal value of CZK 405.000.000.

On 5 January 2015, the Company ("Issuer") entered into a Security Agent Contract with J&T IB and Capital Markets, a.s. ("Security Agent") to secure the Issuer's obligations from the Issue by security contracts between the Issuer as the pledgor and the Security Agent as the security party, by way of lien established over the Credit Claims and the Escrow Account Claims.

On 5 January 2015, the Company ("Issuer") concluded a Subordination Contract with J&T Banka, a.s. ("Subordinated creditor") and J&T IB and Capital Markets, a.s. ("Security agent"), according to which the parties have agreed that in case of a Decisive event, Subordinated claims (i.e., claims of the Subordinated creditor against the Issuer for the repayment of the bank overdraft according to the Bank Overdraft Contract no. CZK 34/KTK/2014) shall be subordinated to Preference claims (i.e., any future claims relating to bonds), and in such cases Subordinated claims may be satisfied by the Issuer or from the Issuer's assets, including the set-off with a comparable effect, only after Preference claims have been satisfied in full.

The Security agent and/or the Issuer are obliged to notify the Subordinated creditor of the occurrence of a Decisive event in writing and without undue delay. As of the day of delivery of such written notification to the Subordinated creditor, the effects specified in this Contract shall apply with respect to the Subordinated creditor.

Decisive event shall mean (i) entry of the Issuer into liquidation, (ii) issuance of a decision on the bankruptcy of the Issuer, or (iii) other fact similar to the fact stated in (i) or other measure similar to the measure stated in (ii).

On 14 January 2015, the Company ("Pledgor") entered into a Receivables Pledge Agreement with J&T IB and Capital Markets, a.s. ("Pledgee"), according to which the Pledgor has undertaken to establish a Pledge over all of the Pledgor's existing and future receivables pertaining to the Debtor for the repayment of the provided loan and for payment of appurtenances arising under the Medium-Term Credit Agreement with a line of credit of CZK 560.000.000, concluded between the Pledgor, as a creditor, and the Debtor, as the debtor, on 13 June 2014.

Also, the pledge has been registered with the Cyprus Registrar of Companies on 6 February 2015.

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

13. Borrowings (continued)

(C) During 2015, the Company concluded the following agreements relating to Debentures.

1) On 5 January 2015, the Company ("Issuer") concluded two others Subordination Contracts with J&T Banka, a.s. ("Subordinated creditor") and J&T IB and Capital Markets, a.s. ("Security agent"), according to which the parties have agreed that in case of a Decisive event, Subordinated claims (i.e., claims of the Subordinated creditor against the Issuer for the repayment of the bank overdrafts according to the Bank Overdraft Contracts no. CZK 39/KTK/2014 dated 25 July 2014 and no. CZK 34/KTK/2014 dated 27 June 2014) shall be subordinated to Preference claims (i.e., any future claims relating to bonds), and in such cases Subordinated claims may be satisfied by the Issuer or from the Issuer's assets, including the set-off with a comparable effect, only after Preference claims have been satisfied in full.

The Security agent and/or the Issuer are obliged to notify the Subordinated creditor of the occurrence of a Decisive event in writing and without undue delay. As of the day of delivery of such written notification to the Subordinated creditor, the effects specified in this Contract shall apply with respect to the Subordinated creditor.

Decisive event shall mean (i) entry of the Issuer into liquidation, (ii) issuance of a decision on the bankruptcy of the Issuer, or (iii) other fact similar to the fact stated in (i) or other measure similar to the measure stated in (ii).

2) On 23 January 2015, the Company ("Pledgor") entered into a Receivables Pledge Agreement with J&T IB and Capital Markets, a.s. ("Pledgee"), according to which the Pledgor has undertaken to establish a Pledge over all of the Pledgor's existing and future receivables pertaining to the Debtor (Profi Credit Slovakia, s.r.o.), for the repayment of the provided loan and for payment of appurtenances arising under the Medium-Term Credit Agreement (2014, EUR 13.200.000) with a line of credit of EUR 13.200.000, concluded between the Pledgor, as a creditor, and the Debtor, as the debtor, on 22 May 2014.

The weighted average effective interest rates at the reporting date were as follows:

	30/06/2016	31/12/2015
Bank overdrafts		1month Euribor+5,25%
	3month	3month
	Euribor+3,75%-	Euribor+3,75%-
	5,25%	5,25%
	3month	3month
	Pribor+3,75%-	Pribor+3,75%-
	5,65%	5,65%
Debentures	5,00% - 5,20%	5,00% - 5,20%

14. Trade and other payables

	30/06/2016	31/12/2015
	CZK	CZK
VAT	351.421	1.026.964
Accruals	697.597	1.384.003
Other creditors	249.215	5.502.607
	1.298.233	7.913.574

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

DAIREWA PLC

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

15. Refundable taxes

	30/06/2016	31/12/2015
	CZK	CZK
Corporation tax	(965.767)	(2.827.092)
Special contribution for defence	126	122
Overseas tax	-	2
	<u>(965.641)</u>	<u>(2.826.968)</u>

16. Related party transactions

The Company is controlled by Berg Nominees Limited, incorporated in Cyprus, which owns 99,766% of the Company's shares (25.570 shares) and the remaining 0,234% is held by six other parties. The shares are held on behalf of a non resident individual.

The following transactions were carried out with related parties:

16.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	01/01/2016 - 30/06/2016	01/01/2015 - 30/06/2015
	CZK	CZK
Directors' fees	<u>30.560</u>	<u>18.218</u>
	<u>30.560</u>	<u>18.218</u>

17. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2016.

18. Commitments

The Company had no capital or other commitments as at 30 June 2016.

19. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements except from the following.

On 6 July 2016, the Company has repaid the CZK bonds (two issues) together with the coupon interests in the amount of CZK 273.375.000 and CZK 273.510.000 and the EUR bond together with the coupon interest in the amount of EUR 10.130.000.

Independent auditor's report on page 3

DAIREWA PLC

DETAILED INCOME STATEMENT

Period from 1 January 2016 to 30 June 2016

	Page	01/01/2016 - 30/06/2016 CZK	01/01/2015 - 30/06/2015 CZK
Revenue			
Loan interest income		46.651.581	79.555.970
Services rendered		-	1.430.757
Other operating income		20	93
Interest income		2.117.048	16.590.865
Exchange profit		48.768.649	97.577.685
Operating expenses			
Administration expenses	42	(3.359.399)	(5.726.782)
Operating profit		45.409.250	91.850.903
Finance costs	43	(41.958.931)	(85.117.369)
Net profit for the period before tax		3.450.319	6.733.534

DAIREWA PLC

OTHER OPERATING EXPENSES

Period from 1 January 2016 to 30 June 2016

	01/01/2016 - 30/06/2016 CZK	01/01/2015 - 30/06/2015 CZK
Administration expenses		
Annual levy	9.468	9.650
Sundry expenses	-	1
Courier expenses	20.816	18.751
Certification and legalisation expenses	2.120	168.521
Auditors' remuneration for other assurance services	454.428	504.033
Auditors' remuneration - prior years	154.242	155.610
Accounting fees	257.921	260.729
Other professional fees	608.729	548.943
Translation fees	952	1.405
Legal and professional	-	1.086.322
Directors' fees	30.560	18.218
Mediatory services	1.003.838	1.005.439
Other services	816.325	1.949.160
	<u>3.359.399</u>	<u>5.726.782</u>

DAIREWA PLC

FINANCE COSTS

Period from 1 January 2016 to 30 June 2016

	01/01/2016 - 30/06/2016 CZK	01/01/2015 - 30/06/2015 CZK
Finance costs		
Interest expense		
Bank overdraft interest	12.094.347	24.991.873
Debenture interest	27.712.100	43.604.989
Interest on taxes	-	126
Sundry finance expenses		
Bank charges	14.312	20.604
Net foreign exchange transaction losses		
Unrealised foreign exchange loss	<u>2.138.172</u>	16.499.777
	<u>41.958.931</u>	<u>85.117.369</u>

DAIREWA PLC

COMPUTATION OF DEFENCE CONTRIBUTION

Period from 1 January 2016 to 30 June 2016

	Income CZK	Income €	Rate	Defence € c
INTEREST				
Interest from overseas	<u>20</u>	<u>1</u>		
	<u>20</u>	<u>1</u>	30%	<u>0,22</u>
				0,22
Deductions at source				<u>(0,08)</u>
DEFENCE CONTRIBUTION DUE TO IRD				<u>0,14</u>
				CZK
				<u>3,80</u>

DAIREWA PLC

COMPUTATION OF CORPORATION TAX

Period from 1 January 2016 to 30 June 2016

	Page	CZK	CZK
	41		3.450.319
Net profit per income statement			
<u>Add:</u>			
Unrealised foreign exchange loss		2.138.172	
Annual levy		<u>9.468</u>	
			<u>2.147.640</u>
			5.597.959
<u>Less:</u>			
Interest income		20	
Unrealised foreign exchange profit		<u>2.117.048</u>	
			<u>(2.117.068)</u>
Chargeable income for the year			<u><u>3.480.891</u></u>
			€
Converted into € at CZK 27,130000 = €1			<u><u>128.304</u></u>

Calculation of corporation tax

	Income €	Rate %	Total € c	Total CZK
Tax at normal rates:				
Chargeable income as above	<u>128.304</u>	12,50	16.038,00	435.111
Credit claimed in respect of foreign tax			<u>(16.038,00)</u>	<u>(435.111)</u>
TAX PAYABLE			<u><u>-</u></u>	<u><u>-</u></u>

