



**DAIREWA PLC**  
**REPORT AND FINANCIAL STATEMENTS**  
Year ended 31 December 2015

**REPORT AND FINANCIAL STATEMENTS**  
Year ended 31 December 2015

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# DAIREWA PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Julius Zubor  
Eletheria 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

## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2015.

### **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.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

### **Results and Dividends**

The Company's results for the year are set out on page 5. The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

### **Share capital**

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

### **Board of Directors**

The members of the Company's Board of Directors as at 31 December 2015 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2015.

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

### **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, 25 April 2016



**KPSA**

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1641 Nicosia

Cyprus

15 Themistokli Dervi street, 1<sup>st</sup> floor

1066 Nicosia

Cyprus

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## **Independent auditor's report**

### **To the Members of Dairewa PLC**

#### **Report on the financial statements**

We have audited the accompanying financial statements of Dairewa PLC (the "Company"), which comprise the statement of financial position as at 31 December 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the financial statements*

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Independent auditor's report (continued)

### To the Members of Dairewa PLC

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Dairewa PLC as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

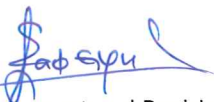
#### **Report on other legal requirements**

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

#### **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, 25 April 2016

# DAIREWA PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2015

	Note	2015 CZK	2014 CZK
<b>Revenue</b>	5	<b>149.260.318</b>	149.622.204
Other income	6	<b>1.388.723</b>	-
Profit from investing activities	7	<b>26.549.705</b>	27.308.038
Administration expenses		<b>(14.443.767)</b>	(18.096.563)
Other expenses	8	<b>(1.388.723)</b>	-
<b>Operating profit</b>	9	<b>161.366.256</b>	158.833.679
Finance costs	10	<b>(155.467.593)</b>	(154.466.725)
<b>Profit before tax</b>		<b>5.898.663</b>	4.366.954
Tax	11	<b>(4.656.251)</b>	(4.374.868)
<b>Net profit/(loss) for the year</b>		<b>1.242.412</b>	(7.914)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income / (expense) for the year</b>		<b>1.242.412</b>	(7.914)

The notes on pages 9 to 46 form an integral part of these financial statements.


# DAIREWA PLC

## STATEMENT OF FINANCIAL POSITION

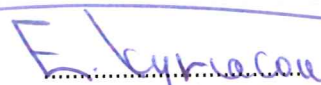
31 December 2015

	Note	2015 CZK	2014 CZK
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current loans receivable	12	<u>449.558.302</u>	1.094.338.716
		<u>449.558.302</u>	<u>1.094.338.716</u>
<b>Current assets</b>			
Trade and other receivables	13	1.637.886	2.567.576
Loans receivable	12	843.679.520	953.118.344
Refundable taxes	19	2.827.092	2.935.601
Cash at bank and in hand	14	<u>22.385.157</u>	8.101.488
		<u>870.529.655</u>	<u>966.723.009</u>
<b>Total assets</b>		<u><b>1.320.087.957</b></u>	<u>2.061.061.725</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	638.308	638.308
Other reserves	16	394.300	257.350
Retained earnings /(accumulated losses)		<u>789.634</u>	<u>(452.778)</u>
<b>Total equity</b>		<u><b>1.822.242</b></u>	<u>442.880</u>
<b>Current liabilities</b>			
Trade and other payables	18	7.913.574	3.020.812
Borrowings	17	1.310.352.017	2.057.596.095
Current tax liabilities	19	<u>124</u>	<u>1.938</u>
		<u>1.318.265.715</u>	<u>2.060.618.845</u>
<b>Total equity and liabilities</b>		<u><b>1.320.087.957</b></u>	<u>2.061.061.725</u>

On 25 April 2016 the Board of Directors of Dairewa PLC authorised these financial statements for issue.



Julius Zubor  
Director



Eletheria Kyriakou  
Director

The notes on pages 9 to 46 form an integral part of these financial statements.

# DAIREWA PLC

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Share capital CZK	Capital reserve CZK	Retained earnings/ (accumulated losses) CZK	Total CZK
<b>Balance at 1 January 2014</b>	<b>638.308</b>	<b>257.350</b>	<b>(444.864)</b>	<b>450.794</b>
<b>Comprehensive income</b>				
Net loss for the year	-	-	(7.914)	(7.914)
<b>Balance at 31 December 2014/ 1 January 2015</b>	<b>638.308</b>	<b>257.350</b>	<b>(452.778)</b>	<b>442.880</b>
<b>Comprehensive income</b>				
Net profit for the year	-	-	1.242.412	1.242.412
<b>Transactions with owners</b>				
Capital contribution from shareholders	-	136.950	-	136.950
<b>Balance at 31 December 2015</b>	<b>638.308</b>	<b>394.300</b>	<b>789.634</b>	<b>1.822.242</b>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 46 form an integral part of these financial statements.

# DAIREWA PLC

## CASH FLOW STATEMENT

Year ended 31 December 2015

	Note	2015 CZK	2014 CZK
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>5.898.663</b>	4.366.954
Adjustments for:			
Unrealised exchange (profit)/loss	7	(121.239)	27.917
Interest income		(147.715.975)	(139.173.236)
Interest expense	10	128.998.370	127.085.551
		<b>(12.940.181)</b>	(7.692.814)
<b>Changes in working capital:</b>			
Decrease in trade and other receivables		929.690	652.581
Increase in trade and other payables		4.892.762	1.067.311
		<b>(7.117.729)</b>	(5.972.922)
<b>Cash used in operations</b>			
Interest received		147.136.221	134.596.733
Tax paid		(4.626.083)	(4.228.111)
<b>Net cash generated from operating activities</b>		<b>135.392.409</b>	124.395.700
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans granted		(262.797.784)	1.367.793.585)
Loans repayments received		1.004.909.088	853.877.797
Interest received		164	13.569
<b>Net cash generated from/(used in) investing activities</b>		<b>742.111.468</b>	(513.902.219)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments on redemption of debentures		(509.284.000)	(414.640.000)
Repayment of expenses for the issue of debentures		(20.381.623)	(12.913.265)
Unrealised exchange profit/(loss)		3.579.215	(4.290.974)
Interest paid		(102.374.059)	(116.935.479)
Proceeds from the issue of debentures		816.950.000	510.604.000
Capital contribution from shareholders		136.950	-
<b>Net cash generated from/(used in) financing activities</b>		<b>188.626.483</b>	(38.175.718)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1.066.130.360</b>	(427.682.237)
Cash and cash equivalents at beginning of the year		1.541.277.336)	1.113.595.099)
<b>Cash and cash equivalents at end of the year</b>	14	<b>(475.146.976)</b>	1.541.277.336)

The notes on pages 9 to 46 form an integral part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**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 Cyprus Companies Law, Cap. 113. Its registered office is at Akropoleos, 59-61, SAVVIDES CENTER, 1st floor, Flat/Office 102, 2012, Nicosia, Cyprus.

On 28 August 2012, the Company has changed its status from a private limited liability Company to a public limited liability Company.

**Principal activities**

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

**2. Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

**Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

**Adoption of new and revised IFRSs**

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2015. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

**Revenue recognition**

Revenues earned by the Company are recognised on the following bases:

- **Rendering of services**

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 2. Accounting policies (continued)

#### Revenue recognition (continued)

- **Commission income**

Commission income is recognised when the right to receive payment is established.

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

#### Finance income

Finance income includes interest income which is recognised based on an accrual basis.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Czech korunas (CZK), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

#### Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.



**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**2. Accounting policies (continued)****Financial instruments (continued)**Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Loans granted

Loans originated by the Company by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

**Derecognition of financial assets and liabilities**Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 2. Accounting policies (continued)

#### Derecognition of financial assets and liabilities (continued)

##### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

#### Share capital

Ordinary shares are classified as equity.

#### Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

#### Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

### 3. Financial risk management

#### Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

##### 3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

##### 3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**3. Financial risk management (continued)**

**3.3 Liquidity risk**

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

<b>31 December 2015</b>		Contractual cash	3 months or	Between	Between
	Carrying amounts	flows	less	3-12 months	1-5 years
	CZK	CZK	CZK	CZK	CZK
Debentures	812.819.884	812.819.884	-	812.819.884	-
Bank overdrafts	497.532.133	497.532.133	-	497.532.133	-
Trade and other payables	5.502.607	5.502.607	-	5.502.607	-
	<b>1.315.854.624</b>	<b>1.315.854.624</b>	<b>-</b>	<b>1.315.854.624</b>	<b>-</b>
<hr/>					
<b>31 December 2014</b>		Contractual cash	3 months or	Between	Between
	Carrying amounts	flows	less	3-12 months	1-5 years
	CZK	CZK	CZK	CZK	CZK
Debentures	508.217.271	508.217.271	-	508.217.271	-
Bank overdrafts	1.549.378.824	1.549.378.824	-	100.276.188	1.449.102.636
Trade and other payables	1.197.710	1.197.710	-	1.197.710	-
	<b>2.058.793.805</b>	<b>2.058.793.805</b>	<b>-</b>	<b>609.691.169</b>	<b>1.449.102.636</b>

**3.4 Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro and Polish zloty. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

**3.5 Capital risk management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

**4. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**4. Critical accounting estimates and judgements (continued)**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Provision for bad and doubtful debts**

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**5. Revenue**

	2015	2014
	CZK	CZK
Loan interest income	147.715.811	139.159.667
Services rendered	<u>1.544.507</u>	<u>10.462.537</u>
	<u><b>149.260.318</b></u>	<u><b>149.622.204</b></u>

**6. Other income**

	2015	2014
	CZK	CZK
Revenues from re invoicing	<u>1.388.723</u>	-
	<u><b>1.388.723</b></u>	<u><b>-</b></u>

**7. Profit from investing activities**

	2015	2014
	CZK	CZK
Interest income	164	13.569
Exchange profit	<u>26.549.541</u>	<u>27.294.469</u>
	<u><b>26.549.705</b></u>	<u><b>27.308.038</b></u>

Interest income is analysed as follows:

	2015	2014
	CZK	CZK
Bank current accounts	<u>164</u>	<u>13.569</u>
	<u><b>164</b></u>	<u><b>13.569</b></u>



# DAIREWA PLC

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 8. Other expenses

	2015 CZK	2014 CZK
Costs to reinvoice	<u>1.388.723</u>	-
	<u>1.388.723</u>	-

### 9. Operating profit

	2015 CZK	2014 CZK
Operating profit is stated after charging the following items:		
Directors' fees	31.082	31.193
Auditors' remuneration for the statutory audit of annual accounts	810.750	831.750
Auditors' remuneration for other assurance services	599.166	604.734
Auditors' remuneration - prior years	<u>155.610</u>	<u>128.519</u>

### 10. Finance costs

	2015 CZK	2014 CZK
<b>Finance costs</b>		
<b>Interest expense</b>		
Bank overdraft interest	52.706.154	83.221.303
Debenture interest	76.292.090	43.863.706
Interest on taxes	126	542
<b>Sundry finance expenses</b>		
Bank charges	40.921	58.788
<b>Net foreign exchange transaction losses</b>		
Unrealised foreign exchange loss	<u>26.428.302</u>	<u>27.322.386</u>
	<u>155.467.593</u>	<u>154.466.725</u>

### 11. Tax

	2015 CZK	2014 CZK
Corporation tax - current year	-	529.008
Overseas tax	4.656.226	3.844.042
Defence contribution - current year	<u>25</u>	<u>1.818</u>
<b>Charge for the year</b>	<u>4.656.251</u>	<u>4.374.868</u>

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**11. 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:

	2015 CZK	2014 CZK
Profit before tax	<u>5.898.663</u>	<u>4.366.954</u>
Tax calculated at the applicable tax rates	<b>737.333</b>	545.869
Tax effect of expenses not deductible for tax purposes	<b>3.327.723</b>	3.550.755
Tax effect of allowances and income not subject to tax	<b>(3.318.713)</b>	(3.413.505)
10% additional charge	-	48.092
Defence contribution current year	<b>25</b>	1.818
Overseas tax in excess of credit claim used during the year	<u>3.909.883</u>	<u>3.641.839</u>
<b>Tax charge</b>	<u><b>4.656.251</b></u>	<u>4.374.868</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 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

**12. Non-current loans receivable**

	2015 CZK	2014 CZK
Balance at 1 January	<b>2.047.457.060</b>	1.523.162.676
New loans granted	<b>262.797.784</b>	1.367.793.585
Repayments	<b>(1.152.045.309)</b>	(988.474.530)
Interest charged	<b>147.715.811</b>	139.159.667
Exchange differences	<b>(12.687.524)</b>	5.815.662
<b>Balance at 31 December</b>	<u><b>1.293.237.822</b></u>	<u>2.047.457.060</u>
	<b>2015 CZK</b>	<b>2014 CZK</b>
Loans receivable	<u><b>1.293.237.822</b></u>	<u>2.047.457.060</u>
Less current portion	<u><b>(843.679.520)</b></u>	<u>(953.118.344)</u>
Non-current portion	<u><b>449.558.302</b></u>	<u>1.094.338.716</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**12. Non-current loans receivable (continued)**

The loans are repayable as follows:

	<b>2015</b>	2014
	<b>CZK</b>	CZK
Within one year	<b>843.679.520</b>	953.118.344
Between one and five years	<b><u>449.558.302</u></b>	<u>1.094.338.716</u>
	<b><u>1.293.237.822</u></b>	<u>2.047.457.060</u>

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**12. 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



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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**12. 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**

Year ended 31 December 2015

**12. 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**

Year ended 31 December 2015

**12. 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 the

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**12. Non-current loans receivable (continued)**

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

Year ended 31 December 2015

### 12. 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 8,8888% 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 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

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**12. Non-current loans receivable (continued)**

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.

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 Promissor 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

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**12. Non-current loans receivable (continued)**

repayment of the Receivables stated above.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**12. 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



**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**12. Non-current loans receivable (continued)**

("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 (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 exposure of the Company to credit risk is reported in note 3 of the financial statements.

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:

	<b>2015</b>	2014
Loans receivable	<b>8,00% - 9,4444%</b>	8,00% - 9,4444%

**13. Trade and other receivables**

	<b>2015</b>	2014
	<b>CZK</b>	CZK
Trade receivables	<b>130.538</b>	1.003.999
Deposits and prepayments	<b>508</b>	1.000.110
Accrued income	<b>1.388.723</b>	131.531
Deferred expenses	<b>79.065</b>	392.608
Other receivables	<b>39.052</b>	39.328
	<b><u>1.637.886</u></b>	<u>2.567.576</u>

# DAIREWA PLC

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 13. Trade and other receivables (continued)

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

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

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

### 14. Cash at bank and in hand

	2015 CZK	2014 CZK
Cash at bank and in hand	<u>22.385.157</u>	8.101.488
	<u>22.385.157</u>	<u>8.101.488</u>

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

	2015 CZK	2014 CZK
Cash at bank and in hand	22.385.157	8.101.488
Bank overdrafts (Note 17)	<u>(497.532.133)</u>	<u>(1.549.378.824)</u>
	<u>(475.146.976)</u>	<u>(1.541.277.336)</u>

#### Currency:

	2015 CZK	2014 CZK
Czech koruna	<u>(333.232.141)</u>	(1.035.469.811)
Euro	<u>(133.268.398)</u>	(482.750.767)
Accrued interest on bank overdraft	<u>(8.646.437)</u>	<u>(23.056.758)</u>
	<u>(475.146.976)</u>	<u>(1.541.277.336)</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

### 15. Share capital

	2015 Number of shares	2015 CZK	2014 Number of shares	2014 CZK
<b>Authorised</b>				
Ordinary shares of €1 each	<u>25.630</u>	<u>638.308</u>	25.630	638.308
<b>Issued and fully paid</b>				
Balance at 1 January	<u>25.630</u>	<u>638.308</u>	25.630	638.308
<b>Balance at 31 December</b>	<u>25.630</u>	<u>638.308</u>	25.630	638.308

# DAIREWA PLC

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 16. Other reserves

	Capital reserve CZK	Total CZK
Balance at 1 January 2014	<u>257.350</u>	<u>257.350</u>
<b>Balance at 31 December 2014/ 1 January 2015</b>	<b>257.350</b>	<b>257.350</b>
Capital contribution from shareholders	<u>136.950</u>	<u>136.950</u>
<b>Balance at 31 December 2015</b>	<b><u>394.300</u></b>	<b><u>394.300</u></b>

On 29 March 2013, the Company's main shareholder, Berg Nominees Limited, has resolved to increase the share capital of the Company by EUR 10.000 in the form of capital contribution, which was payable within two months from the resolution, i.e. by 29 May 2013.

The contribution was actually paid on 4 April 2013.

On 24 March 2015, the Company's main shareholder, Berg Nominees Limited, has resolved to increase the share capital of the Company by EUR 5.000 in the form of capital contribution, which is payable within two months from the resolution, i.e. by 24 May 2015.

The contribution was actually paid on 9 April 2015.

### 17. Borrowings

	2015 CZK	2014 CZK
Balance at 1 January	<b>508.217.271</b>	413.431.294
Additions	<b>816.950.000</b>	510.604.000
Repayments	<b>(558.951.779)</b>	(448.353.634)
Interest for the year	<b>76.292.090</b>	43.863.706
Exchange differences	<b>(9.306.075)</b>	1.585.170
Capitalised expenses	<b>(20.381.623)</b>	(12.913.265)
<b>Balance at 31 December</b>	<b><u>812.819.884</u></b>	<u>508.217.271</u>

# DAIREWA PLC

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 17. Borrowings (continued)

	2015 CZK	2014 CZK
<b>Current borrowings</b>		
Bank overdrafts (Note 14)	497.532.133	1.549.378.824
Debentures	<u>812.819.884</u>	<u>508.217.271</u>
	<u><b>1.310.352.017</b></u>	<u><b>2.057.596.095</b></u>

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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**17. 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 12).

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.

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 12).

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.

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:



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 17. Borrowings (continued)

- (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

Year ended 31 December 2015

### 17. 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.

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:

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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**17. Borrowings (continued)**

- (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.

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%



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 17. Borrowings (continued)

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 Amendment 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 on 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**17. 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.

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 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.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 17. Borrowings (continued)

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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**17. Borrowings (continued)**

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.



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**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2015

**17. Borrowings (continued)**

[II] DEBENTURES

(A) During 2012, the Company concluded the following agreements relating to Debentures.

1) On 17 September 2012, 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 6,00% 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 19 November 2012 and the maturity date is during 2014. Also, the Company has the option to issue additional bonds up to the total nominal value of CZK 292.500.000.

On 12 November 2012, 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 November 2012, the Company ("Pledgor") entered into an Agreement on the Establishment of a Lien to Receivables from the Escrow Account with J&T IB and Capital Markets, a.s. ("Pledgee"), according to which the Pledgor has undertaken to establish a lien to receivables from the Escrow account in favour of the Pledgee serving as collateral for claims of the Bond holders.

On 26 November 2012, the Company ("Lien Grantor") entered into a Contract Establishing Lien on Claims to secure the claims of the Bond Owners vis a vis the Lien Grantor from the issued Bonds, according to which the Lien Grantor agreed in the Security Agent Contract to grant the Security Agent lien on the claims under the mid term loan contracts entered into between the Company and Profit Credit Czech, s.r.o. on 10 March 2011.

On 21 May 2014, the Company has fully repaid the CZK bonds with nominal value in the amount of CZK 195.000.000.

2) On 05 November 2012, the Company entered into a Special Arrangement to Contract for Placement of Bonds with J&T Banka, a.s. for the issuance of Czech Republic book entry Bonds with a fixed interest income of 6,00% per annum in the estimated volume of EUR 8.000.000 with the nominal value of each bond amounting to EUR 100.000. The issue date was set at 03 December 2012 and the maturity date is during 2014. Also, the Company has the option to issue additional bonds up to the total nominal value of EUR 12.000.000.

On 28 November 2012, 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 10 December 2012, the Company ("Lien Grantor") entered into a Contract Establishing Lien on Claims to secure the claims of the Bond Owners vis a vis the Lien Grantor from the issued Bonds, according to which the Lien Grantor agreed in the Security Agent Contract to grant the Security Agent lien on the claims under the mid term loan contracts entered into between the Company and Profi Credit Slovakia, s.r.o. on 02 November 2011.

On 5 June 2014, the Company has fully repaid the EUR bonds with nominal value in the amount of EUR 8.000.000 (equivalent to CZK 219.400.640).



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 17. Borrowings (continued)

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



## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 17. Borrowings (continued)

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 195.000.000.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 17. Borrowings (continued)

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

Year ended 31 December 2015

### 17. 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

Year ended 31 December 2015

### 17. 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

Year ended 31 December 2015

### 17. 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:

	2015	2014
Bank overdrafts	<b>1month</b> <b>Euribor+5,25%</b> <b>3month</b> <b>Euribor+3,75%-</b> <b>5,25%</b> <b>3month</b> <b>Pribor+3,75%-</b> <b>5,65%</b>	1month Euribor +5,25%-6,10% 3month Euribor +3,75% 3month Pribor+4,75%- 5,25%
Debentures	<b>5,00% &amp; 5,20%</b>	5,40% & 5,80%

### 18. Trade and other payables

	2015	2014
	CZK	CZK
VAT	<b>1.026.964</b>	834.208
Accruals	<b>1.384.003</b>	988.894
Other creditors	<b>5.502.607</b>	1.197.710
	<b><u>7.913.574</u></b>	<b><u>3.020.812</u></b>

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

Year ended 31 December 2015

### 19. Refundable taxes

	<b>2015</b>	2014
	<b>CZK</b>	CZK
Corporation tax	<b>(2.827.092)</b>	(2.935.601)
Special contribution for defence	<b>122</b>	1.935
Overseas tax	<b>2</b>	3
	<b><u>(2.826.968)</u></b>	<b><u>(2.933.663)</u></b>

### 20. 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:

#### 20.1 Directors' remuneration

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

	<b>2015</b>	2014
	<b>CZK</b>	CZK
Directors' fees	<b><u>31.082</u></b>	<u>31.193</u>
	<b><u>31.082</u></b>	<u>31.193</u>

### 21. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2015.

### 22. Commitments

The Company had no capital or other commitments as at 31 December 2015.

### 23. 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 January 2016, the Company has paid the coupon interest relating to the CZK bonds (two issues) in the amount of CZK 3.510.000 and CZK 3.375.000 and the coupon interest relating to the EUR bonds in the amount of EUR 130.000.

In addition, on 6 April 2016, the Company has paid the coupon interest relating to the CZK bonds (two issues) in the amount of CZK 3.510.000 and CZK 3.375.000 and the coupon interest relating to the EUR bonds in the amount of EUR 130.000.

**Independent auditor's report on pages 3 and 4**

# DAIREWA PLC

## DETAILED INCOME STATEMENT

Year ended 31 December 2015

	Page	2015 CZK	2014 CZK
<b>Revenue</b>			
Loan interest income		<b>147.715.811</b>	139.159.667
Services rendered		<b>1.544.507</b>	10.462.537
<b>Other operating income</b>			
Revenues from re invoicing		<b>1.388.723</b>	-
Interest income		<b>164</b>	13.569
Exchange profit		<b>26.549.541</b>	27.294.469
		<b>177.198.746</b>	176.930.242
<b>Operating expenses</b>			
Administration expenses	48	<b>(14.443.767)</b>	(18.096.563)
		<b>162.754.979</b>	158.833.679
<b>Other operating expenses</b>			
Costs to re invoice		<b>(1.388.723)</b>	-
<b>Operating profit</b>		<b>161.366.256</b>	158.833.679
Finance costs	49	<b>(155.467.593)</b>	(154.466.725)
<b>Net profit for the year before tax</b>		<b>5.898.663</b>	4.366.954

# DAIREWA PLC

## OTHER OPERATING EXPENSES

Year ended 31 December 2015

	<b>2015</b>	2014
	<b>CZK</b>	CZK
<b>Administration expenses</b>		
Annual levy	<b>9.650</b>	9.609
Sundry expenses	<b>285</b>	10.737
Courier expenses	<b>40.759</b>	33.271
Certification and legalisation expenses	<b>546.033</b>	37.180
Auditors' remuneration for the statutory audit of annual accounts	<b>810.750</b>	831.750
Auditors' remuneration for other assurance services	<b>599.166</b>	604.734
Auditors' remuneration - prior years	<b>155.610</b>	128.519
Accounting fees	<b>518.745</b>	524.159
Other professional fees	<b>1.253.546</b>	1.616.080
Translation fees	<b>1.672</b>	7.762
Legal and professional	<b>1.140.928</b>	2.632.032
Directors' fees	<b>31.082</b>	31.193
Mediatory fees	<b>7.364.071</b>	10.780.127
Administration and fees for bonds	<b>1.971.470</b>	849.410
	<b><u>14.443.767</u></b>	<u>18.096.563</u>

# DAIREWA PLC

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## FINANCE COSTS

Year ended 31 December 2015

	2015 CZK	2014 CZK
<b>Finance costs</b>		
<b>Interest expense</b>		
Bank overdraft interest	52.706.154	83.221.303
Debenture interest	76.292.090	43.863.706
Interest on taxes	126	542
<b>Sundry finance expenses</b>		
Bank charges	40.921	58.788
<b>Net foreign exchange transaction losses</b>		
Unrealised foreign exchange loss	<u>26.428.302</u>	<u>27.322.386</u>
	<u><b>155.467.593</b></u>	<u><b>154.466.725</b></u>



# DAIREWA PLC

## COMPUTATION OF DEFENCE CONTRIBUTION Year ended 31 December 2015

	Income CZK	Income €	Rate	Defence € c
INTEREST				
Interest from overseas	<u>164</u>	<u>6</u>		
	<u>164</u>	<u>6</u>	30%	<u>1,80</u>
				1,80
Deductions at source				<u>(0,89)</u>
<b>DEFENCE CONTRIBUTION DUE TO IRD</b>				<u>0,91</u>
				<u>24,59</u>

# DAIREWA PLC

## COMPUTATION OF CORPORATION TAX

Year ended 31 December 2015

	Page	CZK	CZK
Net profit per income statement	47		5.898.663
<u>Add:</u>			
Unrealised foreign exchange loss		26.428.302	
Annual levy		9.650	
Interest on taxes		126	
Other non-allowable expenses		183.699	
			<u>26.621.777</u>
			32.520.440
<u>Less:</u>			
Interest income		164	
Unrealised foreign exchange profit		26.549.541	
			<u>(26.549.705)</u>
			<u>5.970.735</u>
<b>Chargeable income for the year</b>			
			€
Converted into € at CZK 27,025000 = €1			<u>220.934</u>

### Calculation of corporation tax

	Income €	Rate %	Total € c	Total CZK
<b>Tax at normal rates:</b>				
Chargeable income as above	<u>220.934</u>	12,50	27.616,75	746.343
Credit claimed in respect of foreign tax			<u>(27.616,75)</u>	<u>(746.343)</u>
<b>TAX PAYABLE</b>			<u>-</u>	<u>-</u>

