



KREDYT INKASO

The Kredyt Inkaso Group

Condensed interim consolidated
and separate financial
statements for the 3 months
ended
30 June 2022

Warsaw, 29.08.2022 r.



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SELECTED FINANCIAL DATA OF THE GROUP

	30/06/2022	31/03/2022	30/06/2022	31/03/2022
	PLN thousand		EUR thousand	
Selected financial ratios				
Net financial debt	258 895	281 354	55 312	60 474
Equity	321 369	300 587	68 660	64 608
Net financial debt / equity	0,81	0,94	0,81	0,94
PLN/EUR exchange rate at the reporting date	4,6806	4,6525	4,6806	4,6525
Consolidated statement of financial position				
Total assets	681 946	733 294	145 696	157 613
Total liabilities	360 577	432 707	77 036	93 005
Non-current liabilities	269 059	255 534	57 484	54 924
Current liabilities	91 518	177 173	19 553	38 081
Equity	321 369	300 587	68 660	64 608
Equity attributable to owners of the parent	320 144	299 883	68 398	64 456
	01/04/2022-30/06/2022	01/04/2021-30/06/2021	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Consolidated statement of profit or loss				
Net revenue	56 547	46 350	12 192	10 249
Operating profit/(loss)	21 265	16 306	4 585	3 606
Profit/(loss) before tax	15 506	6 802	3 343	1 505
Net profit/(loss)	14 710	6 528	3 172	1 444
Net profit/(loss) attributable to owners of the parent	14 189	6 420	3 059	1 420
Earnings/(loss) per share in PLN	1,10	0,50	0,24	0,11
Diluted earnings/(loss) per share in PLN	1,10	0,50	0,24	0,11
Average PLN/EUR exchange rate in the period	4,6381	4,5222	4,6381	4,5222
Consolidated statement of cash flows				
Net cash (used in)/from operating activities	48 870	45 313	10 537	10 020
Net cash (used in)/from investing activities	(18 963)	(8 222)	(4 088)	(1 818)
Net cash (used in)/from financing activities	(65 882)	(51 301)	(14 204)	(11 344)
Net increase/(decrease) in cash and cash equivalents	(35 975)	(14 210)	(7 756)	(3 142)
Average PLN/EUR exchange rate in the period	4,6381	4,5222	4,6381	4,5222

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Nota	01/04/2022- 30/06/2022	01/04/2021- 30/06/2021
Continuing operations			
Net revenue			
Interest income on debt portfolios calculated using the effective interest method		29 624	31 876
Revaluation of debt portfolios	5.1	25 808	13 394
Other revenue / costs	5.2	1 115	1 080
Total net revenue		56 547	46 350
Employee benefits expense		(12 473)	(10 683)
Depreciation and amortisation		(1 920)	(1 682)
External services		(10 968)	(8 966)
Other expenses		(9 921)	(8 713)
Total operating expenses	6	(35 282)	(30 044)
Operating profit/(loss)		21 265	16 306
Finance income, including:	7	2 311	888
interest on instruments measured at amortised cost		307	87
Finance costs, including:	7	(8 070)	(10 392)
interest on instruments measured at amortised cost		(7 873)	(5 293)
Profit/(loss) before tax		15 506	6 802
Income tax	8	(796)	(274)
Net profit/(loss) from continuing operations		14 710	6 528
Net profit/(loss) from discontinued operations		-	-
Net profit/(loss)		14 710	6 528
Net profit attributable to:			
Owners of the parent		14 189	6 420
Non-controlling interests		521	108
Earnings/(loss) per share (PLN)			
From continuing and discontinued operations:			
basic	14.4	1,10	0,50
diluted	14.4	1,10	0,50
From continuing operations:			
basic	14.4	1,10	0,50
diluted	14.4	1,10	0,50

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Nota	01/04/2022- 30/06/2022	01/04/2021- 30/06/2021
Net profit/(loss)		14 710	6 528
Gains/(losses) recognised in the period in other comprehensive income	18	1 175	(1 240)
Amounts transferred to profit or loss	18	(974)	2 946
Income tax	18	(38)	523
Exchange differences on translation of foreign operations		5 909	(837)
Other comprehensive income		6 072	1 392
Total comprehensive income		20 782	7 920
Comprehensive income attributable to:			
owners of the parent		20 261	7 812
non-controlling interests		521	108

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note	30/06/2022	31/03/2022
Goodwill		7 773	7 773
Intangible assets		8 416	8 787
Property, plant and equipment		13 682	14 309
Investment property		13 329	13 029
Receivables and loans	11	438	656
Derivative financial instruments	18	-	2 902
Other non-current financial assets	9	1 472	1 600
Non-current assets		45 110	49 056
Trade and other receivables	11	9 751	7 936
Derivative financial instruments	18	4 181	-
Current income tax receivables		822	1 260
Purchased debt	10	558 822	575 287
Loans	11	29	29
Other current financial assets	9	341	587
Prepayments and accrued income		642	916
Cash and cash equivalents		62 248	98 223
Current assets		636 836	684 238
Total assets		681 946	733 294

Equity and liabilities	Note	30/06/2022	31/03/2022
Share capital	14.1	12 897	12 897
Reserves		105 691	105 691
Revaluation reserve		1 631	1 468
Translation reserve		809	(5 100)
Retained earnings, including		199 116	184 927
net profit attributable to owners of the parent		14 189	30 738
profit carried forward		184 927	154 189
Equity attributable to owners of the parent		320 144	299 883
Non-controlling interests		1 225	704
Total equity		321 369	300 587
Loans and other debt instruments	15	256 943	242 710
Lease liabilities		5 974	6 136
Deferred tax liabilities		6 142	6 688
Non-current liabilities		269 059	255 534
Trade and other payables		16 144	30 126
Current income tax liabilities		227	219
Loans and other debt instruments	15	56 125	128 252
Lease liabilities		2 101	2 479
Derivative financial instruments	18	3 697	3 659
Other short-term provisions		8 808	8 472
Current accruals and deferred income		4 416	3 966
Current liabilities		91 518	177 173
Total liabilities		360 577	432 707
Total equity and liabilities		681 946	733 294

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Profit/(loss) before tax		15 506	6 802
Adjustments for:			
Depreciation of and impairment loss on property, plant and equipment		1 055	918
Amortisation and impairment of intangible assets		865	764
Purchased debt – difference between collections and interest income	10	49 980	38 900
Purchased debt – revaluation	5.1	(25 808)	(13 394)
Gain/(loss) on disposal of non-financial non-current assets		(66)	-
Finance costs		8 070	10 392
Finance income		(2 311)	(888)
Currency translation differences	16	4 988	(839)
Other adjustments		289	406
Total adjustments		37 062	36 259
Change in receivables		(1 159)	490
Change in liabilities	16	(1 373)	1 279
Change in provisions, accruals and prepaid expenses		(2)	1 053
Cash generated by operations		50 034	45 883
Income taxes paid		(1 164)	(570)
Net cash (used in)/from operating activities		48 870	45 313
Purchase of debt portfolios	16	(18 426)	(2 231)
Sale of debt portfolios	10	-	-
Proceeds on disposal of investment property		-	502
Proceeds on disposal of property, plant and equipment		160	-
Proceeds on disposal of other financial assets		312	-
Acquisition of a subsidiary, net of cash acquired		-	(2 078)
Purchase of intangible assets		(494)	(2 791)
Purchase of property, plant and equipment		(233)	(595)
Purchase of investment property		(284)	(1 074)
Interest received		2	45
Net cash (used in)/from investing activities		(18 963)	(8 222)
Proceeds from loans		10 995	-
Proceeds on issue of debt securities		17 010	-
Redemption of debt securities		(78 556)	(35 083)
Payments under settlement of hedging transactions		-	-
Repayment of loans		(7 457)	(6 791)
Repayment of lease liabilities		(835)	(585)
Interest paid		(7 039)	(8 126)
Dividends paid to owners		-	(716)
Other finance income		-	-
Net cash (used in)/from financing activities		(65 882)	(51 301)
Net increase/(decrease) in cash and cash equivalents		(35 975)	(14 210)
Cash and cash equivalents at beginning of period		98 223	74 041
Effect of foreign exchange rate changes		-	-
Cash and cash equivalents at end of period		62 248	59 831

Condensed interim consolidated and separate financial statements for the 3 months ended 30 June 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserves	Revaluation reserve	Translation reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
At 1 April 2022	12 897	105 691	1 468	(5 100)	184 927	299 883	704	300 587
Changes in the Group's structure (transactions with non-controlling interests)	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-	-
Net profit	-	-	-	-	14 189	14 189	521	14 710
Other comprehensive income	-	-	163	5 909	-	6 072	-	6 072
Total comprehensive income	-	-	163	5 909	14 189	20 261	521	20 782
Allocation of profit	-	-	-	-	-	-	-	-
At 30 June 2022	12 897	105 691	1 631	809	199 116	320 144	1 225	321 369

	Share capital	Reserves	Revaluation reserve	Translation reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
At 1 April 2021	12 897	114 363	(7 728)	(2 670)	145 517	262 379	1 003	263 382
Changes in the Group's structure (transactions with non-controlling interests)	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(716)	(716)
Razem transakcje z właścicielami	-	-	-	-	-	-	(716)	(716)
Net profit	-	-	-	-	6 420	6 420	108	6 528
Other comprehensive income	-	-	2 229	(837)	-	1 392	-	1 392
Razem całkowite dochody	-	-	2 229	(837)	6 420	7 812	108	7 920
Allocation of profit	-	-	-	-	-	-	-	-
At 30 June 2021	12 897	114 363	(5 499)	(3 507)	151 937	270 191	395	270 586

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

1.1. Parent

Kredyt Inkaso Group („Capital Group”, „Group”) is controlled by the parent – Kredyt Inkaso Spółka Akcyjna („Parent”, „Emitent”, „Company”).

Registered office of the Company	02-676 Warszawa, ul. Postępu 21B, Polska
Place of business	02-676 Warszawa, ul. Postępu 21B, Polska
Name	Kredyt Inkaso Spółka Akcyjna
Legal form	Spółka Akcyjna (joint-stock company)
Registry Court	District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, Poland
Date of registration	28 December 2006 in the present legal form (<i>spółka akcyjna</i> , joint-stock company) 19 April 2001 in the previous legal form (<i>spółka komandytowa</i> , limited partnership)
Number in the National Court Register (KRS)	0000270672
Business Identification Number (REGON)	951078572
Tax Identification Number (NIP)	922-254-40-99
Business in accordance with the Polish Classification of Economic Activities (PKD):	64.99.Z – Other financial service activities, except insurance and pension funding n.e.c.

The Parent’s core business is the management of securitised debt portfolios purchased by Group subsidiaries and by external investment funds whose debt portfolios have been entrusted for management. The Group entities purchase debt portfolios both in Poland and abroad. The Group collects debt mainly from natural persons through an amicable or legal process.

The ultimate parent of the company is Waterland Private Equity Investments B.V.

On July 28, 2022, the Company’s registered office was changed, currently located at 21B Postępu Street in Warsaw.

1.2. Composition of management and supervisory bodies of the Parent as at the date of approval of these financial statements

1.2.1. Management Board

Maciej Jerzy Szymański	President of the Management Board
Barbara Anna Rudzińska	Vice-President of the Management Board
Iwona Jolanta Słomska	Vice-President of the Management Board

Changes in the composition of the Management Board:

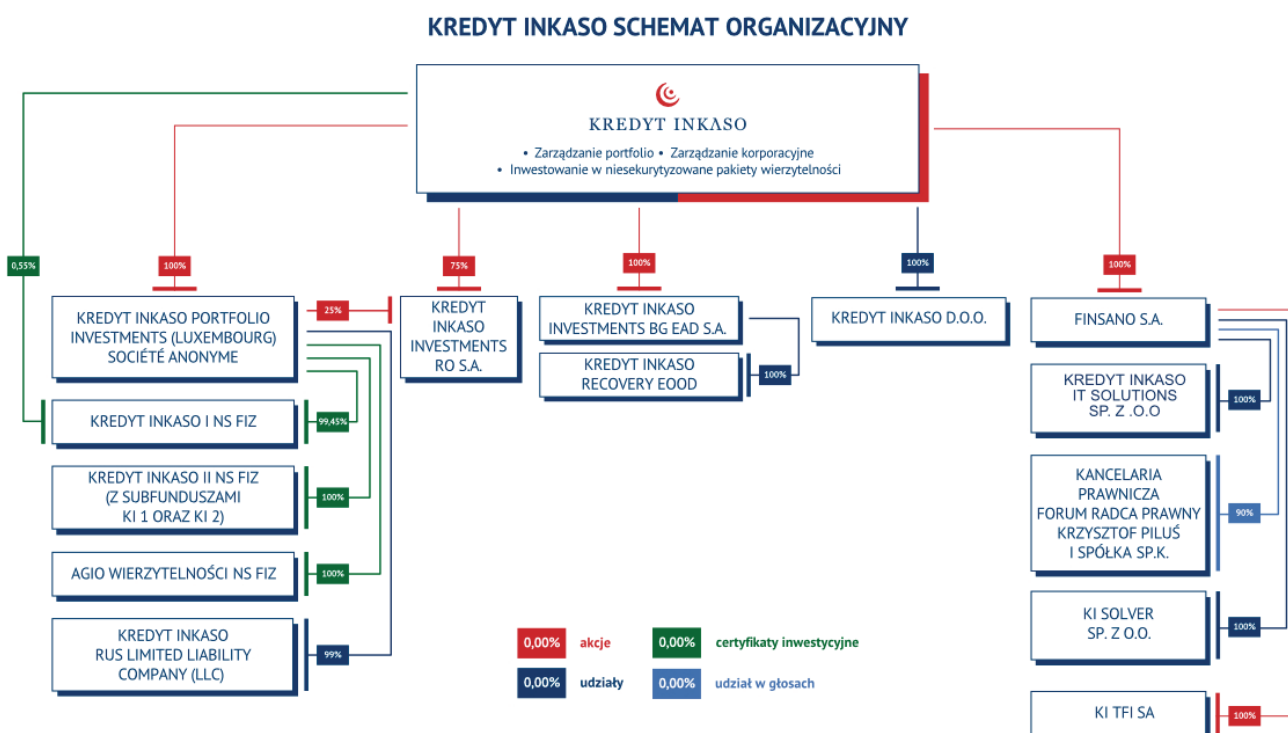
- On 11 May 2022, Mr Tomasz Kuciel tendered his resignation as Member of the Management Board with effect from 11 July 2022.

1.2.2. Supervisory Board

Bogdan Dzdzewicz	Chairman
Marcin Okoński	Deputy Chairman
Daniel Dąbrowski	Member
Karol Szymański	Member
Karol Sowa	Secretary

The composition of the Supervisory Board did not change in the current reporting period. The Extraordinary General Meeting was held on 25 April 2022, which appointed the current members of the Supervisory Board for a new term of office.

1.3. The Group



The organisational structure of the Group at the reporting date.

Kredyt Inkaso S.A. is the parent of the Group. The Group is composed of: Kredyt Inkaso S.A. as the parent and subsidiaries operating in Poland, Luxembourg, Romania, Bulgaria, Croatia and Russia.

Name of entity	Registered office	Ownership interest	Number of voting rights	Core business
Kancelaria Prawnicza FORUM radca prawny Krzysztof Pilius i spółka Sp.k.	Warsaw, Poland	84%	90%	Legal activities
Finsano S.A.	Warsaw, Poland	100%	100%	Holding activities and acquisition of property in the course of enforcement proceedings or collection activities, trade in such property, its development and commercialisation
Kredyt Inkaso IT Solutions Sp. z o.o. (previously: Legal Process Administration Sp. z o.o.)	Warsaw, Poland	100%	100%	Provision of IT services

Name of entity	Registered office	Ownership interest	Number of voting rights	Core business
Kredyt Inkaso Investments RO S.A.	Bukarest, Romania	100%	100%	Investing in debt portfolios, servicing of debt assets
Kredyt Inkaso Investments BG EAD S.A.	Sofia, Bulgaria	100%	100%	Investing in debt portfolios, servicing of debt assets
Kredyt Inkaso RUS Limited Liability Company (LLC)	Moscow, Russia	99%	99%	Investing in debt portfolios, servicing of debt assets
Kredyt Inkaso RECOVERY EOOD	Sofia, Bulgaria	100%	100%	Investing in debt portfolios, servicing of debt assets
Kredyt Inkaso d.o.o.	Zagrzeb, Chorwacja	100%	100%	Investing in debt portfolios, servicing of debt assets
Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme	Luxembourg	100%	100%	Investing in debt portfolios, investing in securities carrying risks based on debt claims
Kredyt Inkaso I NSFIZ	Warsaw, Poland	100%	100%	Investing in debt portfolios
Kredyt Inkaso II NSFIZ	Warsaw, Poland	100%	100%	Investing in debt portfolios
KI Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna	Warsaw, Poland	100%	100%	Creation and management of investment funds
AGIO Wierzytelności NSFIZ	Warsaw, Poland	100%	100%	Investing in debt portfolios
KI Solver Sp. z o.o. (previously Advisers Sp. z o.o.)	Warsaw, Poland	100%	100%	Servicing of debt assets

The Group controls investment funds based on shares carrying the right to pass all resolutions at the Meeting of Investors.

2. Basis of preparation of the consolidated financial statements and accounting policies

2.1. Basis of preparation of the consolidated financial statements

The interim condensed consolidated financial statements of the Group cover the period of 3 months ended 30 June 2022 and include:

- comparative data for the 3-month period ended 30 June 2021 for the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows;
- comparative data as at 31 March 2022 for the statement of financial position.

The interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not contain all the information that is disclosed in the IFRS consolidated annual financial statements. These interim condensed consolidated financial statements should be read together with the consolidated financial statements of the Capital Group for the financial year ended 31 March 2022.

The reporting currency in these full-year consolidated financial statements is the Polish złoty and all amounts are expressed in thousands of Polish złoty, unless indicated otherwise.

The consolidated financial statements for the comparative period ended 31 March 2022 include the financial statements of the Parent and the financial statements of its subsidiaries.

All the companies comprising the Group have been established for indefinite time. For consolidation purposes, the financial statements of all subordinates have been prepared for the same period as the Parent's financial statements, using uniform accounting policies. These consolidated financial statements include adjustments to ensure that the financial statements of individual Group companies comply with IFRS.

On February 24, 2022, the troops of the Russian Federation entered the territory of Ukraine, starting military operations in this region. Hostilities have been going on for over half a year and it is impossible to predict the date of their completion as at the date of publication of the report, and all forecasts are burdened with a large dose of uncertainty. With respect to its subsidiary Kredyt Inkaso RUS Limited Liability Company (LLC) ("KI RUS"), THE Group maintains all assumptions presented in the annual consolidated financial statements published on 30 June 2022, in particular regarding the going concern and valuation of assets.

2.2. Statement of compliance

These interim condensed consolidated financial statements are prepared on the basis of International Financial Reporting Standards and related interpretations published in the form of regulations of the European Commission, as well as requirements for issuers of securities admitted or subject to admission to trading on the official stock exchange market.

2.3. Material judgements and estimates

When preparing interim condensed consolidated financial statements, the Management Board of the Parent Company makes estimates, judgments and assumptions regarding the amounts of measurement of individual assets and liabilities. Estimates and related assumptions are based on historical experience and other factors considered relevant. Actual results may differ from estimates. Information about the estimates made and assumptions that are material for the financial statements is presented below.

2.3.1. Useful lives of non-current assets

Each year, the Parent reviews the useful lives of non-current assets subject to depreciation and their impairment, if any, at the end of each annual reporting period. In the Management Board's opinion, the useful lives of assets applied by the Group for depreciation purposes reflect the period in which future economic benefits associated with the assets are expected to flow to the Group and no impairment occurred. However, actual periods in which such assets provide economic benefits may differ from the assumptions, including due to such factors as technical obsolescence.

2.3.2. Deferred tax assets

The probability of utilising a deferred tax asset against future taxable profit is determined in relation to the Group companies' budgets approved by the Management Board of the Parent. If the financial performance forecast indicates that the Group companies will generate taxable income, deferred tax assets are recognised in full amount.

2.3.3. Measurement of debt portfolios

Purchased debt portfolios are measured at amortised cost using the effective interest method and adjusted for credit risk (POCI assets).

The value of each debt portfolio is determined by the Group using the estimation method as the present value of expected cash inflows generated by the debt portfolio, discounted with the credit-adjusted effective interest rate (internal rate of return – IRR). When calculating the credit-adjusted effective interest rate, the Group estimates the expected cash flows on debt portfolios by considering expected credit losses. The estimate of planned cash flows is based on past cash flows generated by similar debt portfolios. In the case of retail bank and telecom portfolios, estimates cover payments received from debtors to the Group's bank accounts, and in the case of secured portfolios they also cover acquisition and disposal of repossessed properties and other security. Based on historical data, separate repayment curves are built for a given type of debt.

A debt portfolio is divided into groups containing homogenous debt in terms of possible actions and business assumptions. Subsequently, using a model the repayment rate is calculated for the entire portfolio. The curve of planned collection costs is determined by the actions taken in the past for relevant case groups.

2.4. Accounting policies

These interim condensed consolidated financial statements have been prepared in accordance with the accounting principles presented in the last consolidated financial statements of the Group for the year ended 31 March 2022, with the exception of the standards described below, applied for the first time.

2.4.1. Foreign currency transactions

Transactions denominated in currencies other than the Polish złoty are translated into the Polish złoty at the rate of exchange prevailing on the transaction date using the average rate quoted by the National Bank of Poland.

Monetary items denominated in foreign currencies are translated at the closing rate (spot rate), i.e. at the rate announced by the leading bank – ING Bank Śląski S.A., from the first listing on the reporting date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate from the transaction date.

Non-monetary assets and liabilities measured at fair value in a foreign currency are translated at the exchange rate from the date that the fair value was determined.

The following exchange rates of the key foreign currencies were adopted during the preparation of these financial statements:

	Reporting period ended 30 June 2022	Average exchange rate	Exchange rate at the end of the reporting period
1 RON		0,9377	0,9466
1 BGN		2,3714	2,3931
1 RUB		0,0733	0,0859
1 HRK		0,6146	0,6217
1 EUR		4,6381	4,6806

	Reporting period ended 30 June 2021	Average exchange rate	Exchange rate at the end of the reporting period
1 RON		0,9182	0,9174
1 BGN		2,3121	2,3114
1 RUB		0,0508	0,0520
1 HRK		0,6018	0,6035
1 EUR		4,5222	4,5208

2.4.2. Operating segments

An operating segment is a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),
- whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

Operations of the Group are divided into:

- debt trading segment, which covers the wholesale trade in debt resulting from universal services,
- credit management segment, which covers the management of debt portfolios and debt collection, in the form of both soft and hard collection, i.e. legal services provided by an internal law firm,
- corporate functions, which provide for reconciliation and cover activities related to management and administration, other support functions and other operations not assigned to the identified segments.

Segment revenue is revenue reported in the consolidated statement of comprehensive income that is directly attributable to a segment and the relevant part of revenue that can be allocated on a reasonable basis to a segment, whether from sales to external customers or from transactions with other segments.

Segment expense is expense resulting from the operating activities of a segment that is directly attributable to the segment and the relevant part of the Group's expense that can be allocated on a reasonable basis to the segment, including expenses relating to sales to external customers and expenses relating to transactions with other segments. Segment profit or loss is determined at the operating result level.

Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. In particular, segment assets do not include income tax assets.

Segment revenue, result and assets are determined before elimination of intersegment transactions.

2.4.3. Statement of cash flows

The Group prepares the statement of cash flows with the indirect method. Cash flows arising from debt portfolios purchased by the Group are disclosed in operating activities.

2.5. First-time adoption of standards in the financial statements

The following amendments to existing standards and interpretations published by the International Accounting Standards Board (IASB) and endorsed for use in the EU apply for the first time in the Company's financial statements in 2022/23:

- Amendments to IAS 16, property, plant and equipment – no possibility to deduct from the cost of production of property, plant and equipment amounts received from the sale of components produced during the preparation of the asset for intended use (applicable to annual periods beginning on or after 1 January 2022),
- Amendments to IFRS 3 Business Combinations, IAS 16, Property, Plant and Equipment, IAS 37, Provisions, Contingent Liabilities and Contingent Assets – annual amendments (applicable to annual periods beginning on or after 1 January 2022),
- Amendments to IAS 37, provisions, contingent liabilities and contingent assets: the method of determining whether a contract is an onerous contract (applicable to annual periods beginning on or after 1 January 2022),
- Annual Amendment Programme 2018-2020 - clarification and clarification of recognition and measurement guidelines: IFRS 1 First-time application, IFRS 9 Financial Instruments, IAS 41 Agriculture and illustrative examples to IFRS 16 Leases (applicable to annual periods beginning on or after 1 January 2022).

The above new or amended standards and interpretations applied for the first time did not have a significant impact on the Group's financial statements.

2.6. New standards and amendments to existing standards already issued by the IASB but are not yet effective

At the date of preparation of these financial statements, the following new standards, amendments to existing standards or interpretations have been issued by the IASB but are not yet effective:

- Zmiany do MSR 1 „Prezentacja sprawozdań finansowych” – Klasyfikacja zobowiązań jako krótkoterminowe oraz długoterminowe oraz wymóg ujawniania istotnych informacji dotyczących zasad rachunkowości (obowiązujące w odniesieniu do okresów rocznych rozpoczynających się 1 stycznia 2023 roku lub po tej dacie),
- Zmiany do MSR 8 „Zasady (polityka) rachunkowości, zmiany wartości szacunkowych i korygowanie błędów” – definicja wartości szacunkowych (obowiązujący w odniesieniu do okresów rocznych rozpoczynających się 1 stycznia 2023 roku lub po tej dacie),
- Zmiany do MSR 12 „Podatek dochodowy” – podatek odroczony dotyczący aktywów i zobowiązań wynikających z pojedynczej transakcji (obowiązujący w odniesieniu do okresów rocznych rozpoczynających się 1 stycznia 2023 roku lub po tej dacie),
- Zmiany do MSSF 17 „Umowy Ubezpieczeniowe” – spójne ujmowanie wszystkich umów ubezpieczeniowych (obowiązujący w odniesieniu do okresów rocznych rozpoczynających się 1 stycznia 2023 roku lub po tej dacie),
- Zmiany do MSSF 17 „umowy ubezpieczeniowe”- pierwsze zastosowanie MSSF 17 i MSSF 9- informacje porównawcze (obowiązujący w odniesieniu do okresów rocznych rozpoczynających się 1 stycznia 2023 roku lub po tej dacie),
- Zmiany do MSR 1 „Prezentacja sprawozdań finansowych” oraz Wytyczne Rady MSSF w zakresie ujawnień dotyczących polityk rachunkowości w praktyce - kwestia istotności ujawnień informacji o polityce (obowiązujący w odniesieniu do okresów rocznych rozpoczynających się 1 stycznia 2023 roku lub po tej dacie).

The Group decided against the early application of the above new standards and amendments to existing standards. The Group estimates that the above new standards, amendments to existing standards and interpretations would not have had any material effect on the financial statements, if they had been applied at the reporting date.

2.7. Change in significant accounting policies

In preparing these consolidated financial statements, the same accounting principles were applied as in the last annual consolidated financial statements prepared as at 31 March 2022 and for the financial year ending on that date.

2.8. Seasonality and cyclicity of business

There was no seasonality or cyclicity of the Group's business.

3. Operating segments

The Group's operations are allocated to:

- (1) debt trading segment, which covers the purchase of high-volume debt resulting from universal services, i.e. collection of purchased debt;
- (2) debt portfolios management segment, which covers the management of debt portfolios and debt collection, in the form of both soft and hard collection, and legal services provided to third parties;
- (3) corporate functions, which provide for reconciliation and cover activities related to management and administration, other support functions and other operations not assigned to the identified segments.

No changes occurred in the classification of segments relative to the comparative period.

The above division is based on the model of the Group's operations and the criterion of materiality of revenue.

Allocation of the Group companies to operating segments is presented in the table below.

Company name	Operating segment
Kredyt Inkaso S.A.	debt portfolios management
Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme	debt trading
Kredyt Inkaso I NSFIZ	debt trading
Kredyt Inkaso II NSFIZ	debt trading
Kancelaria Prawnicza FORUM radca prawny Krzysztof Piliś i spółka Sp.k.	debt portfolios management
Finsano S.A.	corporate functions
Kredyt Inkaso IT Solutions Sp. z o.o. (previously: Legal Process Administration Sp. z o.o.)	corporate functions
Kredyt Inkaso Investments RO S.A.	debt trading
Kredyt Inkaso Investments BG EAD S.A.	debt trading
KI Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna	debt trading
Kredyt Inkaso RUS Limited Liability Company (LLC)	debt trading
Kredyt Inkaso RECOVERY EOOD	debt trading
Kredyt Inkaso d.o.o.	debt trading
Agio Wierzytelności NSFIZ	debt trading
KI Solver Sp. z o.o. (previously Advisers Sp. z o.o.)	debt portfolios management

Segment performance in the current reporting period is presented in the table below.

	Debt trading	Credit management	Corporate functions	Consolidation eliminations	Total
Net revenue	48 391	8 102	54	-	56 547
Net inter-segment revenue	1 335	15 149	2 974	(19 458)	-
Total net revenue	49 726	23 251	3 028	(19 458)	56 547
Total operating expenses	(32 774)	(19 148)	(2 818)	19 458	(35 282)
Segment operating profit/(loss)	16 952	4 103	210	-	21 265
Finance income					2 311
Finance costs					(8 070)
Profit before tax					15 506
Income tax					(796)
Net profit					14 710

Wyniki segmentów w porównawczym okresie sprawozdawczym przedstawia tabela poniżej.

	Debt trading	Credit management	Corporate functions	Consolidation eliminations	Total
Net revenue	41 054	5 305	(9)	-	46 350
Net inter-segment revenue	2 159	9 802	2 398	(14 359)	-
Total net revenue	43 213	15 107	2 389	(14 359)	46 350
Total operating expenses	(25 117)	(16 735)	(2 551)	14 359	(30 044)
Segment operating profit/(loss)	18 096	(1 628)	(162)	-	16 306
Finance income					888
Finance costs					(10 392)
Profit before tax					6 802
Income tax					(274)
Net profit					6 528

	Debt trading	Credit management	Corporate functions	Consolidation eliminations	Total
At 30.06.2022					
Segment assets	311 154	379 340	34 748	(43 296)	681 946
Segment liabilities	94 754	299 511	9 608	(43 296)	360 577
Equity	216 400	79 829	25 140	-	321 369
At 31.03.2022					
Segment assets	300 289	439 622	35 983	(42 600)	733 294
Segment liabilities	100 405	363 334	11 568	(42 600)	432 707
Equity	199 884	76 288	24 415	-	300 587

All assets are allocated to reported segments. Goodwill was allocated to reported segments. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual operating segments.

All liabilities are allocated to reported segments. Liabilities attributable to different operating segments are allocated in proportion to the value of segment assets.

4. Geographical information

The Group identifies the following main geographical areas:

- Poland
- Romania
- Russia
- Bulgaria
- Croatia.

The Group's revenue from collections from external customers by geographical location and information about the carrying amount of debt portfolios generating collections from debtors are detailed below.

Collections from debtors by geographical regions	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Poland	55 688	45 550
Romania	10 683	15 164
Russia	8 037	5 594
Bulgaria	5 091	4 309
Croatia	105	159
Total	79 604	70 776

Carrying amount of purchased debt by geographical location.

	30/06/2022		31/03/2022	
	Carrying amount	Percentage share	Carrying amount	Percentage share
Poland	437 856	78,4%	442 218	76,9%
Romania	83 379	14,9%	92 737	16,1%
Russia	2 575	0,5%	3 641	0,6%
Bulgaria	33 829	6,0%	35 494	6,2%
Croatia	1 183	0,2%	1 197	0,2%
Total	558 822	100,0%	575 287	100,0%

The Group did not identify major customers which would individually contribute 10% or more to its total revenue.

5. Net revenue

5.1. Revaluation of debt portfolios

Revaluation of debt portfolios	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Revision of projection	1 614	(4 040)
Differences to actual payments	23 394	19 365
Extension of projected collections	308	338
Exchange rate variation	492	(2 269)
Total	25 808	13 394

Revaluation of portfolios includes the following components:

- (1) Review of future collection projection:
 - (a) revaluation of future collection curves, taking into account past collections and planned collections based on statistical models;
 - (b) for secured debt portfolios – postponement and/or change of amount or projected collections, where enforcement of claims against security was postponed;
- (2) Differences to actual payments – difference for the reporting period between actual payments by debtors and forecast payments in collection curves that were the basis for the valuation of debt portfolios using the model of discounted cash flows from debt portfolios;
- (3) Extension of projected collections – extension by another period of projected collections from debt portfolios to match a fixed, standard 15-year recovery estimation period;
- (4) Exchange rate variation – impact of the variation of exchange rates on debt portfolios denominated in foreign currencies.

Positive deviations from actual payments result mainly from the increase in the efficiency of bailiff processes and thus the greater potential of this channel. The largest positive deviations were observed on the Polish market in terms of telecommunications and retail receivables. In the area of retail receivables, significant positive deviations in repayments were recorded in each of the main markets.

5.2. Other revenue / costs

Other revenue / costs	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Revenue from debt portfolios management	634	822
Net revenue from sale and repossession of property	345	776
Other revenue	44	(524)
Cost of provision for overpayments	92	6
Total	1 115	1 080

6. Costs

Costs by type	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Salaries, social insurance contributions and other benefits	12 473	10 683
External services	10 968	8 966
Court and enforcement fees	8 532	7 727
Depreciation and amortisation	1 920	1 682
Taxes and charges	272	315
Raw materials and energy used	535	284
Other costs by type	582	387
Total	35 282	30 044

7. Finance income and costs

Finance income	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Interest income on financial assets measured at amortised cost	307	87
Interest income on derivative hedging instruments	974	-
Ineffective part of financial risk hedge	67	716
Foreign exchange gains	959	-
Other finance income	4	85
Total	2 311	888

Finance costs	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Interest expense for financial liabilities	7 873	5 293
Other interest, including	197	64
on lease liabilities	148	55
Interest expense on derivative hedging instruments	-	2 946
Other finance costs	-	23
Foreign exchange losses	-	2 066
Total	8 070	10 392

8. Income tax

	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Current year	(1 381)	(1 154)
Previous years	-	-
Current income tax	(1 381)	(1 154)
Current year	585	880
Deferred income tax	585	880
Total income tax expense recognised in the current year relating to continuing operations	(796)	(274)

Tax rates applied by Group companies	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Poland	19%	19%
Romania	16%	16%
Bulgaria	10%	10%
Luxembourg	29%	29%
Russia	20%	20%
Croatia	10%	10%

The profit of the Group is generated in particular by closed-end investment funds whose income is exempt from corporate income tax under targeted exemption.

9. Other financial assets

The Group presents the following investments under other financial assets:

	30/06/2022		31/03/2022	
	Current assets	Non-current assets	Current assets	Non-current assets
Debt instruments	24	1 472	268	1 600
Financial assets at fair value through profit or loss	317	-	319	-
Total	341	1 472	587	1 600

10. Purchased debt

Types of debt portfolios	30/06/2022	31/03/2022
Retail	311 973	328 040
Telecommunications	119 929	127 411
Consumer loans	76 613	75 822
Mortgage	31 439	26 766
Corporate	18 312	16 658
Insurance	537	570
Other	19	20
Total	558 822	575 287

Movements in debt portfolios	01/04/2022-30/06/2022	01/04/2021-30/06/2021
At beginning of period	575 287	628 615
Purchase of debt portfolios	5 826	2 231
Sale of debt portfolios	-	-
Revaluation	25 808	13 394
Translation reserve	1 881	(2 064)
Collections	(79 604)	(70 776)
Interest income on debt portfolios	29 624	31 875
At end of period	558 822	603 275

11. Receivables and loans

	30/06/2022	31/03/2022
Non-current assets		
Receivables	438	656
Current assets		
Trade and other receivables	9 751	7 936
Loans	29	29

As at the reporting date, impairment losses covered other receivables and included the following items:

- PLN 3 690 thousand impairment loss on reimbursement of court fees related to debt collection actions before courts,
- PLN 597 thousand impairment loss on receivables related to court cases instigated by the Group,
- PLN 438 thousand impairment loss on other receivables.

12. Deferred tax assets and liabilities

Deferred tax assets and liabilities are presented on a net basis.

Deferred income tax	30/06/2022	31/03/2022
Balance at beginning of year:		
Deferred tax assets	3 856	8 102
Deferred tax liabilities	(10 545)	(9 579)
Net deferred tax at beginning of period	(6 689)	(1 477)
Changes in the period recognised in:		
Statement of profit or loss (+/-)	585	(3 055)
Other comprehensive income (+/-)	(38)	(2 157)
Net deferred tax at end of period, including:	(6 142)	(6 689)
Deferred tax assets	4 336	3 856
Deferred tax liabilities	(10 478)	(10 545)

	31/03/2022	Change in the statement of profit or loss	Change in other comprehensive income	30/06/2022
Deferred tax assets				
Property, plant and equipment – right-of-use asset	67	(9)	-	58
Provisions for employee benefits	1 004	45	-	1 049
Other provisions	307	168	-	475
Loans and other debt instruments	286	(286)	-	-
Other liabilities	744	735	-	1 479
Unused tax losses	626	(165)	-	461
Other assets	821	(7)	-	814
Total	3 856	480	-	4 336
Deferred tax liabilities				
Property, plant and equipment and intangible assets	673	(9)	-	664
Investment property	274	-	-	274
Receivables and loans, valuation of financial assets	9 484	(701)	-	8 783
Loans and other debt instruments	-	605	38	643
Other assets	114	-	-	114
Total	10 545	(105)	38	10 478
Net deferred tax	(6 689)	585	(38)	(6 142)

13. Financial instruments

The table below presents the classification of financial instruments and a comparison of carrying amounts of financial instruments with their respective fair values.

The table below also presents the fair value of financial assets and liabilities classified at a specific level of the fair value hierarchy:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, based on variables derived from active markets,
- Level 3 – inputs for the asset or liability that are not based on variables derived from active markets.

Condensed interim consolidated and separate financial statements for the 3 months ended 30 June 2022

	Carrying amount 30/06/2022				Fair value 30/06/2022			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current assets								
Receivables and loans	-	-	438	438	-	-	438	438
Other non-current financial assets – debt instruments	-	-	1 472	1 472	-	-	1 472	1 472
Current assets								
Trade and other receivables	-	-	9 751	9 751	-	-	9 751	9 751
Derivative financial instruments	-	4 181	-	4 181	-	4 181	-	4 181
Purchased debt	-	-	558 822	558 822	-	-	446 883	446 883
Loans	-	-	29	29	-	-	29	29
Other current financial assets – debt instruments	-	-	24	24	-	-	24	24
Other current financial assets – shares	317	-	-	317	-	-	317	317
Cash and cash equivalents	-	-	62 248	62 248	-	-	62 248	62 248
Financial liabilities								
Non-current liabilities								
Loans and other debt instruments	-	-	256 943	256 943	-	-	256 943	256 943
Lease liabilities	-	-	5 974	5 974	-	-	5 974	5 974
Current liabilities								
Loans and other debt instruments	-	-	56 125	56 125	-	-	56 125	56 125
Lease liabilities	-	-	2 101	2 101	-	-	2 101	2 101
Derivative financial instruments	-	3 697	-	3 697	-	3 697	-	3 697

FVTPL – Financial instruments at fair value through profit or loss

FVOCI – Financial assets at fair value through other comprehensive income

Amortised cost – Financial instruments at amortised cost

The Group did not make any reclassifications of financial assets which would lead to a change of the measurement method for such assets, requiring such assets to be measured at fair value or at amortised cost.

The Group also did not make any reclassification of financial assets between individual fair value hierarchy levels.

14. Equity

14.1. Share capital

	30/06/2022	31/03/2022
Number of shares	12 897 364	12 897 364
Par value of shares (PLN)	1,00	1,00
Share capital (PLN)	12 897 364	12 897 364

All shares are ordinary shares which carry no preference and no limitation on rights.

14.2. Shareholder structure of Kredyt Inkaso S.A.

At the authorisation date of these full-year consolidated financial statements, the Parent's shareholder structure was as follows:

	Number of shares	% of ownership interest	Number of voting rights	% of total vote held
WPEF VI Holding 5 B.V. (*)	7 929 983	61,49%	7 929 983	61,49%
BEST S.A.	4 267 228	33,09%	4 267 228	33,09%
BEST Capital FIZAN	7 000	0,05%	7 000	0,05%
Other shareholders	693 153	5,37%	693 153	5,37%
Total	12 897 364	100,00%	12 897 364	100,00%

(*) *Waterland Private Equity Investments B.V. is the ultimate parent and indirectly holds 61.48% of the Company's share capital, representing the same share in total voting rights.*

14.3. Coverage of loss of the Parent for 2020/2021

On September 29, 2021, the Ordinary General Meeting of Shareholders was held, at which a resolution was adopted to cover the loss for 2020/2021 in the amount of PLN 15,257 thousand in full from the Company's supplementary capital. As at the Approval Date, no resolution on the distribution of the Parent Company's result for the financial year 2021/2022 has yet been adopted.

14.4. Number of shares and earnings per share (EPS)

In the period covered by these financial statements, no shares of new series were issued.

The net earnings/(loss) per ordinary share is calculated in the same way for each share. All shares confer equal rights to distribution of net profit.

Basic earnings per share are computed as the quotient of net profit attributable to owners of the Parent to the number of ordinary shares outstanding during the period. The EPS calculation is presented below:

	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Weighted average number of ordinary shares (in thousands)	12 897	12 897
Impact of treasury shares	-	-
Weighted average number of ordinary shares (in thousands)	12 897	12 897
Continuing operations		
Net profit/(loss) attributable to owners of the parent	14 189	6 420
Basic earnings/(loss) per share (PLN)	1,10	0,50
Diluted earnings/(loss) per share (PLN)	1,10	0,50

No discontinued operations occurred in the current and comparative reporting period.

In the current and comparative reporting period, the Group carried no instruments diluting earnings per share from discontinued operations.

15. Loans and other debt instruments

	30/06/2022		31/03/2022	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Loans	35 111	96 354	32 649	95 264
Debt securities	21 014	160 589	95 603	147 446
Total	56 125	256 943	128 252	242 710

15.1. Loans

Balance of loans at the reporting date.

Instrument	Currency	Interest	Liability origination date	Maturity	Current liabilities	Non-current liabilities	Total
Kredyt ING Bank Śląski S.A.	PLN	3M WIBOR + margin	2017-11-23	2032-12-31	12 324	34 306	46 630
Kredyt ING Bank Śląski S.A.	PLN	3M WIBOR + margin	2018-05-21	2032-12-31	22 787	62 048	84 835
Total					35 111	96 354	131 465

Balance of loans at the comparative reporting date.

Instrument	Currency	Interest	Liability origination date	Maturity	Current liabilities	Non-current liabilities	Total
Kredyt ING Bank Śląski S.A.	PLN	3M WIBOR + margin	2017-11-23	2031-08-31	12 177	36 790	48 967
Kredyt ING Bank Śląski S.A.	PLN	3M WIBOR + margin	2018-05-21	2031-08-31	20 472	58 474	78 946
Total					32 649	95 264	127 913

The maturity date for loans granted by ING Bank Śląski S.A. marks the date of expiry of the loan agreement, which is 31 December 2032. The maturity for each drawdown from the available credit facility is 60 months.

Kredyt Inkaso I NSFIZ and Kredyt Inkaso II NSFIZ, pursuant to supplementary agreements, may use the funds obtained from the credit facility to finance the purchase of debt portfolios.

Pursuant to the agreement, the bank will make available funds up to PLN 140,000 thousand to Kredyt Inkaso I NSFIZ and Kredyt Inkaso II NSFIZ, while on 3 August 2022 the limit of funds made available was raised to PLN 200,000 thousand.

The availability of funds for use under the above credit limit is provided for annual periods ending on 31 December, which are automatically extended for subsequent annual periods if neither the bank nor the funds make a statement at least 35 days before the expiry date that they do not wish to continue the availability of the credit line. The maximum date up to which the end-date of the availability of funds to be drawn down under the credit limit may be extended is the expiry date of the credit facility agreement, set for 31 December 2032.

The credit facilities are uncommitted and the bank does not have any obligations under the credit facility agreements and a request to use the allocated credit limits requires the prior approval of the bank.

15.2. Bonds issued

Balance at end of current reporting period.

Bond Series	Interest	Liability origination date	Maturity	Nominal amount	Current	Non-current	Carrying amount
E1	WIBOR 6M+4,9%	2018-08-16	2022-08-16	6 190	6 366	-	6 366
H1	fixed, 6%	2021-10-22	2025-10-19	3 667	76	3 434	3 510
J1	WIBOR 3M+4,9%	2022-03-28	2029-03-28	55 749	11 328	40 723	52 051
K1	WIBOR 6M+4,9%*	2022-03-28	2029-03-28	103 000	2 985	100 562	103 547
I1	WIBOR 3M+4,9%	2022-04-19	2025-10-23	17 010	259	15 870	16 129
Total				185 616	21 014	160 589	181 603

* first interest period – 6M WIBOR + 5.3%

Calendar of events related to bonds in issue – including events subsequent to the reporting date.

Data	
19 April 2022	Series I1 bearer bonds with a total nominal value of PLN 17,010 thousand were issued.
26 April 2022	The Group made a full early redemption of Series F1 bonds with a nominal value of PLN 75,769 thousand.
5 August 2022	Series L1 bearer bonds with a total nominal value of PLN 15,679 thousand were issued

No covenants under the issued bonds were breached in the reporting period. Until the Authorisation Date, no cases of default on any principal or interest payments under bonds, or any other terms and conditions of bonds occurred.

As at the end of the previous reporting period.

Bond Series	Interest	Liability origination date	Maturity	Nominal amount	Current	Non-current	Carrying amount
E1	WIBOR 6M+4,9%	2018-08-16	2022-08-16	6 190	6 196	-	6 196
F1	WIBOR 6M+4,9%	2019-04-26	2022-04-26	75 769	77 608	-	77 608
H1	fixed, 6%	2021-10-22	2025-10-19	3 667	75	3 420	3 495
J1	WIBOR 3M+4,9%	2022-03-28	2029-03-28	55 749	11 336	43 452	54 788
K1	WIBOR 6M+4,9%*	2022-03-28	2029-03-28	103 000	388	100 574	100 962
Total				244 375	95 603	147 446	243 049

* first interest period – 6M WIBOR + 5.3%

15.3. Cashpool

On 23 April 2019, an agreement on liquidity management in the form of daily limits was executed between ING Bank and the Group companies ("cash pool"). The transactions as part of the cash pool bear interest at a variable rate of 6M WIBOR +4.9%.

Cash pool balances are presented in the table below:

	30/06/2022	31/03/2022
Kredyt Inkaso S.A.	(27 234)	(29 913)
Finsano S.A.	26 180	25 372
Kancelaria Prawnicza Forum Radca Prawny Krzysztof Piliś i Spółka sp.k.	3 265	2 918
Kredyt Inkaso IT Solutions Sp. z o.o.(previously: Legal Process Administration Sp. z o.o.)	(2 211)	1 623
Total	-	-

16. Note to the statement of cash flows

	Statement of comprehensive income	Foreign exchange differences on translation of movements in debt portfolios	Net foreign exchange differences in the statement of profit or loss	Statement of cash flows
Translation reserve	5 909	(1 881)	959	4 988

The balance sheet change in liabilities amounts to PLN (13 973) thousand, while the change in liabilities presented in the consolidated cash flow statement amounts to PLN (1 373) thousand. The difference in the amount of PLN 12,600 thousand are liabilities due to the acquisition of debt packages appearing on the opening balance sheet and settled in the reporting period. At the same time, the amount of expenses for the acquisition of debt packages presented in investment activities in the consolidated statement of cash flows is PLN 12,600 thousand, higher than the amount of increases in debt packages in Note 10 Receivables acquired due to settlement of these liabilities.

17. Financial risk management

In the reporting period, the Group did not recognize any significant changes in financial risk, as well as the objectives and principles of managing this risk in relation to those described in the consolidated annual financial statements for the financial year 2021/2022.

18. Derivative hedging instruments

As at the reporting date, the Group had open hedging relationships. The Group entered into interest rate swaps (IRS), where it paid a fixed interest rate and received a variable interest rate.

Float-to-fixed IRS in the currency of the hedged item was to serve as a cash flow hedge. As part of the transaction the Group:

- pays interest on the transaction notional amount at a fixed rate,
- receives interest on the transaction notional amount at a floating reference rate.

The Group assesses the economic relationship between the hedged item and the hedging instrument based on the matching of critical parameters, in particular

- consistency of notional amounts of the hedging instrument and the designated hedged item,
- consistency of interest periods/interest payment dates,
- consistency of the reference rate of the hedging instrument and the benchmark rate for the hedged item.

As the hedged item, the Group designated liabilities under bonds issued and the credit facility at ING Bank Śląski S.A. The Group assesses the economic relationship prospectively, with a frequency indicated in the document establishing the relationship.

Instrument	Nominal amount	Transaction rate (fixed interest rate)	Assets	Liabilities	Item in the statement of financial position	Changes in fair value
IRS	200 000	2,41%	-	1 979	Derivative financial instruments	(20)
IRS	200 000	2,28%	-	1 718	Derivative financial instruments	(17)
IRS	200 000	1,96%	4 181	-	Derivative financial instruments	1 279
		Total	4 181	3 697		1 242

The effect of hedging instruments on the statement of financial position of the Group in the reporting period.

Interest transferred from other comprehensive income is charged to Finance costs – Interest expense on hedging instruments.

	Kwota
Payments under settlement of hedging transactions recognised in the statement of cash flows	-
Hedging gains or losses of the reporting period that were recognised in other comprehensive income	1 175
Hedging effect recognised in the statement of profit or loss – finance income	67
Total	1 242

	Kwota
Revaluation reserve at beginning of period	1 468
Effect of valuation of hedging transactions (effective part)	1 175
Interest transferred in the period from other comprehensive income to profit or loss	(974)
Income tax	(38)
Revaluation reserve at end of period	1 631

19. Capital management

The main objective behind the Group's capital management is to maintain the ability to continue as a going concern, taking into account investment plans, while generating returns to shareholders and benefits for other stakeholders.

The key indicator used by the Group to monitor equity and debt is the ratio of consolidated net financial debt to consolidated equity.

Net financial debt is calculated as financial debt less cash. Financial debt is defined as liabilities under loans and other sources of funding and guarantees, and lease liabilities. To calculate covenants for certain series of bonds issued by the Company, financial debt also includes loss on derivative instruments.

The calculation of net financial debt and the ratio of consolidated net financial debt to consolidated equity is detailed below.

	30/06/2022	31/03/2022
Loans and other debt instruments	313 068	370 962
Lease	8 075	8 615
less: cash and cash equivalents	(62 248)	(98 223)
Net financial debt	258 895	281 354
Equity	321 369	300 587
Net financial debt / equity	0,81	0,94

20. Significant related-party transactions

20.1. Related-party transactions

20.1.1. Trading transactions

The Group entered into the trading transactions with related entities:

	01/04/2022-30/06/2022		01/04/2021-30/06/2021	
	Revenue	Costs	Revenue	Costs
Cost of advisory services				
WPEF VI HOLDING S B.V.	-	70	-	-
WPEF VI HOLDING V B.V.	-	-	-	68
Total	-	70	-	68

Advisory services are provided under an agreement executed by the Company with WPEF VI HOLDING V B.V. on 31 March 2017 and include advice to the parent and all subsidiaries in the Kredyt Inkaso Group regarding financial analyses and projections, reporting processes, capital management, risk management, corporate finance, business strategy, potential acquisitions (M&A), and investor relations. The agreement was executed for a period until 31 December 2017 and is automatically renewed for subsequent annual periods. Each party may terminate it at least 90 days before the commencement of the next calendar year. Under the agreement, the list of persons designated to perform advisory activities and obtain confidential information includes Mr Daniel Dąbrowski, Member of the Supervisory Board.

20.2. Loans advanced to key members of staff and related persons

None.

20.3. Transactions with key personnel

20.3.1. Remuneration of the Management Board

The remuneration of key management personnel of the parent and the Group subordinates is set out below.

	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Base pay/management contract (gross)	939	898
Other – medical benefits and other	34	19
Total	973	917

20.3.2. Remuneration of the Supervisory Boars

	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Remuneration of the Supervisory Board	105	94
Total	105	94

Rules of remuneration of the Supervisory Board:

- Members of the Supervisory Board are entitled to monthly remuneration in the amount of one-third of the average monthly remuneration in the enterprise sector (net of bonuses paid out from profit) (according to Statistics Poland).
- The Chairman of the Supervisory Board is entitled to a special duty allowance in the amount of the average monthly remuneration in the enterprise sector (net of bonuses paid out from profit).
- Other members of the Supervisory Board are entitled to the following allowances:
 - for membership in the audit committee – one-third of the average monthly remuneration in the enterprise sector (net of bonuses paid out from profit)
 - for serving as secretary of the Supervisory Board – one-third of the average monthly remuneration in the enterprise sector (net of bonuses paid out from profit)
 - for serving as Deputy Chairperson of the Supervisory Board – one-third of the average monthly remuneration in the enterprise sector (net of bonuses paid out from profit) in the period when the Chairperson of the Supervisory Board does not carry out their function
- Members of the Supervisory Board are not entitled to any remuneration, if they file a waiver of remuneration.
- In a given month, Members of the Supervisory Board are entitled to remuneration and special duty allowance in the amount corresponding to the proportion of the number of meetings which they attended to the total number of the Supervisory Board's meetings in that month.
- In a given month, a member of the Audit Committee is entitled to allowance for membership in the Audit Committee in the amount corresponding to the proportion of the number of meetings which they attended to the total number of the Audit Committee's meetings in that month.
- Remuneration and allowances are also payable when no meetings were held in a given month.

21. Contingent liabilities, guarantees, sureties and security interests over the Group's assets

21.1. Security for the credit facility agreement with ING Bank Śląski S.A.

Pursuant to:

- (i) the credit agreement dated 23 November 2017, together with Supplementary Agreement No. 1 dated 21 May 2018, Supplementary Agreement No. 2 dated 14 September 2018 and Supplementary Agreement No. 3 dated 27 November 2019, signed by the subsidiary Kredyt Inkaso II NSFIZ with ING Bank Śląski S.A., and
- (ii) the credit agreement dated 21 May 2018, together with Supplementary Agreement No. 1 dated 15 September 2018 and Supplementary Agreement No. 2 dated 27 November 2019, signed by the subsidiary Kredyt Inkaso I NSFIZ with ING Bank Śląski S.A.,

Kredyt Inkaso I NSFIZ and Kredyt Inkaso II NSFIZ provided security in favour of the Bank by way of conditional transfer of receivables constituting collateral, under a conditional agreement on transfer of receivables under specified commercial contracts, so that the total value of collateral constituted not less than 150% of the amount of the credit limit used by each of those subsidiaries.

The above loan agreements were jointly replaced by the content of Supplementary Agreement No. 3 of 31 December 2020 and subsequent Supplementary Agreements No. 4 of 22 March 2022, No. 5 of 15 April 2022 and No. 6 of 3 August 2022, which provide, inter alia, that Kredyt Inkaso I NSFIZ and Kredyt Inkaso II NSFIZ secured the loan granted to the Bank by way of a conditional assignment of receivables, on the basis of and in accordance with conditional assignment agreements under certain commercial agreements in such a way that the total value of the claims constituting the collateral represents not less than 150% of the amount of the credit limit used. As at the balance sheet date, the required level of collateral for Kredyt Inkaso I NSFIZ: PLN 127 331 thousand, for Kredyt Inkaso II NSFIZ PLN 70 007 thousand.

21.2. Bond issue security

On 26 April 2019, the Company issued Series F1 bonds with a total nominal value of PLN 210 million. In accordance with the terms and conditions of the bonds, bondholders' claims under the Bonds were secured by standard security interests, including pledges over debt portfolios and investment certificates disclosed in the Company's and its subsidiaries' statement of financial position or over other assets of the Company.

The minimum amount of security over debt portfolios increased consistently until it reached the limit of PLN 200 million, as of 26 April 2021, and subsequently 150% of the outstanding nominal value of the Bonds as of 26 April 2022.

As at the reporting date, the minimum amount of collateral over the Company's assets had reached its maximum value, i.e. PLN 150 million. This was the amount in which a pledge was created over bonds issued by Kredyt Inkaso Portfolio Investments (Luxembourg) S.A. The created collateral will secure the claims of holders of other series of bonds, for which the terms and conditions of the bonds contain a clause on equal treatment of creditors (*pari passu*).

On 26 April 2022 (for series F1 bonds) and on 16 August 2022 (for series E1 bonds), the Company redeemed the entire bond by paying their nominal value and interest. Therefore, the above-described security of series F1 bonds and security of series E1 bonds, established on a *pari passu* basis at the time of issue of series F1 bonds, has been released.

In addition, on 28 March 2022 the Company issued Series K1 bonds with a total nominal value of PLN 103 million. In accordance with the terms and conditions of the bonds, the bonds were issued as unsecured and had such status as at the reporting date. In turn, in accordance with the terms and conditions of the bonds bondholders' claims under the bonds were covered by collateral established after the issue date through standard security interests, including registered pledges under the Polish law or foreign law over debt portfolios and investment certificates disclosed in the Company's and its subsidiaries' statement of financial position or over other assets of the Company. The total value of security after 26 April 2022 should not be less than 150% of the current nominal value of the bonds.

The table below presents the carrying amounts of security provided for the issues of bonds established on the Group's assets.

Type of securing asset	30/06/2022	31/03/2022
Debt portfolios	193 358	205 722

21.3. Purchase of debt portfolios

On 1 March 2022, the Group's fund executed an agreement to purchase debt under consumer loans in the form of eight monthly tranches with the first tranche purchased on 1 March 2022. In accordance with the agreement the Group is to purchase unconditionally the submitted debt that fulfils the criteria set out in the agreement. The maximum amount of debt to be purchased was agreed at PLN 35 million, with an option to be increased at the consent of the fund.

22. Court, enforcement, tax and other proceedings

In the period of 3 months ended 30 June 2022, the status of disputes described in the consolidated financial statements prepared as at 31 March 2022 did not change significantly and there were no new disputes which, in the opinion of the Management Board, could have a material impact on the financial position and results of the Group's operations, therefore no provisions were created for disputes and no material settlements due to court cases occurred.

Information on current proceedings pending before a court, an authority competent for arbitration proceedings or a public administration body concerning liabilities and receivables of entities belonging to the Capital Group is presented in the Management Board's report on the activities of the Group and the Company.

23. Material events after the reporting period

Significant events following the balance sheet date were included in the description of material court and tax proceedings in the Management Board's Report on the activities of the Capital Group and the Company for the period of 3 months ended 30/06/2022.

On 1 August 2022, the subsidiaries, Kredyt Inkaso I Niestandardyzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty and Kredyt Inkaso II Niestandardyzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty, concluded an agreement with ING Bank Śląski S.A. on the establishment of a credit line, under which the amount of credit lines made available jointly for both Funds increased by PLN 60 million to PLN 200 million. These funds are intended to finance the purchase of debt portfolios.

On July 4, 2022, the Management Board of the Company adopted a resolution on the issue of unsecured bearer bonds series L1. Subscriptions for bonds were accepted in the period from 12 July 2022 to 26 July 2022 and bonds with a total nominal value of PLN 15,679 thousand were allocated. The first trading day of series L1 bonds was set for August 16, 2022.

On 9 August 2022, the Supervisory Board of the Company adopted a resolution on the selection of PKF Consult sp. z o.o. sp.k. to audit the Company's separate financial statements and the consolidated financial statements of the Capital Group for the financial years 2022/2023 and 2023/2024, as well as to review the Company's semi-annual separate financial statements and the semi-annual consolidated financial statements of the Company's Capital Group for the first half of the financial years 2022/2023 and 2023/2024.

24. Factors and events, including of a non-recurring nature, with a material bearing on the financial statements

On February 24, 2022, the troops of the Russian Federation entered the territory of Ukraine, starting hostilities in this region. Hostilities have been going on for over half a year and it is impossible to predict the date of their completion as at the date of publication of the report, and all forecasts are burdened with a large dose of uncertainty. The impact of the conflict on the financial statements is in line with the scenario described in the annual consolidated financial statements published on 30 June 2022.

25. Other information relevant to the assessment of the staffing levels, assets and financial standing

- In March and April 2022. The Group issued three series of bonds (I1, J1, K1) while partially or fully repaying series F1, PA02, G1, B1 and H1 bonds. In this way, it has carried out a long-term optimisation of the financing structure.
- On April 25, 2022, the Extraordinary General Meeting appointed Marcin Okoński, Bogdan Dzudzewicz, Daniel Dąbrowski, Karol Sowa and Karol Maciej Szymański to the Supervisory Board. On 10 May 2022, the Supervisory Board elected the persons performing the functions as follows: Mr. Bogdan Dzudzewicz became the Chairman of the Supervisory Board, Mr. Marcin Okoński became the Vice-President, Mr. Karol Sowa became the Secretary. On the same

day, the Company's Supervisory Board appointed the Audit Committee, at the same time determining its composition at 3 people. Marcin Okoński as Chairman of the Committee, Daniel Dąbrowski and Karol Maciej Szymański were appointed to the Committee.

- On May 11, 2022, Mr. Tomasz Kuciel submitted his resignation from the position of Member of the Management Board of the Company with effect from July 11, 2022. Mr. Tomasz Kuciel indicated personal reasons as the reason for resignation.

No other events relevant to the assessment of the staffing levels, assets and financial standing occurred in the reporting period.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

SEPARATE STATEMENT OF PROFIT OR LOSS

	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Continuing operations		
Net revenue		
Interest income on debt portfolios calculated using the effective interest method	3 128	3 479
Revaluation of debt portfolios	5 513	2 319
Other revenue / costs	14 891	9 881
Total net revenue	23 532	15 679
Employee benefits expense	(7 955)	(6 761)
Depreciation and amortisation	(841)	(795)
Services	(9 418)	(8 693)
Other expenses	(1 700)	(1 699)
Total operating expenses	(19 914)	(17 948)
Operating profit/(loss)	3 618	(2 269)
Finance income, including:	6 543	5 327
interest on instruments measured at amortised cost	4 729	3 959
Finance costs, including:	(7 149)	(8 948)
interest on instruments measured at amortised cost	(6 148)	(4 737)
Profit/(loss) before tax	3 012	(5 890)
Income tax	420	639
Net profit/(loss) from continuing operations	3 432	(5 251)
Net profit/(loss) from discontinued operations	-	-
Net profit/(loss)	3 432	(5 251)
Earnings/(loss) per share (PLN)		
From continuing and discontinued operations:		
basic	0,27	(0,41)
diluted	0,27	(0,41)
From continuing operations:		
basic	0,27	(0,41)
diluted	0,27	(0,41)

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Net profit/(loss)	3 432	(5 251)
Gains/(losses) recognised in the period in other comprehensive income	479	(1 643)
Amounts transferred to profit or loss	(974)	2 946
Income tax	94	399
Cash flow hedges that may be reclassified subsequently to profit or loss	(401)	1 702
TOTAL COMPREHENSIVE INCOME	3 031	(3 549)

SEPARATE STATEMENT OF FINANCIAL POSITION

Assets	30/06/2022	31/03/2022
Intangible assets	3 063	3 321
Property, plant and equipment	4 462	4 843
Investment property	1 440	1 440
Investments in subsidiaries	71 411	71 411
Receivables and loans	677	395
Derivative financial instruments	-	2 902
Other non-current financial assets	-	205 078
Non-current assets	81 053	289 390
Trade and other receivables	6 071	6 148
Derivative financial instruments	4 181	-
Purchased debt	57 098	58 765
Loans	2 550	4 725
Other current financial assets	213 034	50 667
Prepayments and accrued income	242	458
Cash and cash equivalents	10 474	25 274
Current assets	293 650	146 037
Total assets	374 703	435 427

Equity and liabilities	30/06/2022	31/03/2022
Share capital	12 897	12 897
Reserves	77 263	77 263
Revaluation reserve	17	418
Retained earnings, including	(15 083)	(18 515)
net profit/(loss) for current period	3 432	(14 221)
profit/(loss) carried forward	(18 515)	(4 294)
Total equity	75 094	72 063
Loans and other debt instruments	205 875	186 733
Lease liabilities	3 594	3 544
Deferred tax liabilities	6 702	7 217
Non-current liabilities	216 171	197 494
Trade and other payables	6 050	8 417
Loans and other debt instruments	61 291	143 626
Lease liabilities	1 052	1 385
Derivative financial instruments	3 697	3 659
Other short-term provisions	5 899	5 895
Accruals and deferred income	5 449	2 888
Current liabilities	83 438	165 870
Total liabilities	299 609	363 364
Total equity and liabilities	374 703	435 427

SEPARATE STATEMENT OF CASH FLOWS

	01/04/2022-30/06/2022	01/04/2021-30/06/2021
Profit/(loss) before tax	3 012	(5 890)
Adjustments for:		
Depreciation of and impairment loss on property, plant and equipment	547	563
Amortisation and impairment of intangible assets	294	234
Purchased debt – difference between collections and interest income	7 180	4 971
Purchased debt – revaluation	(5 513)	(2 319)
Finance costs	7 149	8 512
Finance income	(6 543)	(6 570)
Foreign exchange gains/(losses)	-	529
Other adjustments	(776)	(111)
Total adjustments	2 338	5 809
Change in receivables	(205)	2 788
Change in liabilities	(2 430)	(1 787)
Change in provisions, accruals and prepaid expenses	1 833	704
Changes in working capital	(802)	1 705
Income taxes paid	-	-
Net cash (used in)/from operating activities	4 548	1 624
Purchase of debt portfolios	(36)	(1 468)
Sale of debt portfolios	-	(5)
Proceeds on disposal of property, plant and equipment	113	-
Repayment of loans advanced	2 084	3 183
Proceeds on disposal of other financial assets/bond repayment	39 458	14 200
Interest received	8 127	8 869
Net cash (used in)/from investing activities	49 746	24 779
Proceeds on issue of debt securities	27 010	-
Redemption of debt securities	(86 856)	(37 883)
Proceeds on the executed cash pool agreement	(2 678)	11 922
Repayment of lease liabilities	(653)	(659)
Interest paid	(5 917)	(8 735)
Net cash (used in)/from financing activities	(69 094)	(35 355)
Net increase/(decrease) in cash and cash equivalents	(14 800)	(8 952)
Cash and cash equivalents at beginning of period	25 274	13 125
Effect of foreign exchange rate changes	-	-
Cash and cash equivalents at end of period	10 474	4 173

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserves	Revaluation reserve	Retained earnings	Total equity
At 1 April 2022	12 897	77 263	418	(18 515)	72 063
Net profit/(loss)	-	-	-	3 432	3 432
Cash flow hedges	-	-	(401)	-	(401)
Total comprehensive income	-	-	(401)	3 432	3 031
Allocation of profit	-	-	-	-	-
At 30 June 2022	12 897	77 263	17	(15 083)	75 094

	Share capital	Reserves	Revaluation reserve	Retained earnings	Total equity
At 1 April 2021	12 897	92 521	(5 239)	(19 551)	80 628
Net profit/(loss)	-	-	-	(5 251)	(5 251)
Cash flow hedges	-	-	1 702	-	1 702
Total comprehensive income	-	-	1 702	(5 251)	(3 549)
Allocation of profit	-	-	-	-	-
At 31 June 2021	12 897	92 521	(3 537)	(24 802)	77 079

26. Authorisation for issue

These full-year consolidated financial statements for the period from 1 April 2022 to 30 June 2022, along with comparative information, were authorised for issue by the Parent's Management Board on 26 August 2022 ("Authorisation Date").

President of the Management Board	Vice-President of the Management Board	Vice-President of the Management Board
Maciej Szymański	Barbara Rudziks	Iwona Słomska

Head of Consolidation
and Statutory Reporting Division

Jakub Cąber