



KREDYT INKASO

Kredyt Inkaso S.A. Group

Interim condensed consolidated
and separate financial
statements for a period
of 6 months ended
30 September 2022

Warsaw, 19 December 2022



SELECTED FINANCIAL DATA OF THE GROUP.....	3
SELECTED SEPARATE FINANCIAL DATA OF THE COMPANY	4
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	5
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	6
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONSOLIDATED STATEMENT OF CASH FLOWS.....	9
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	11
1. General information	11
2. Basis for the preparation of the interim condensed consolidated financial statements and accounting policies	13
3. Operating segments.....	18
4. Geographical information	20
5. Net revenue	21
6. Costs	22
7. Finance income and expense	22
8. Income tax	23
9. Other financial assets.....	24
10. Purchased debt	24
11. Receivables and loans	25
12. Deferred tax assets and liabilities	25
13. Financial instruments.....	27
14. Equity	30
15. Loans and other debt instruments.....	31
16. Note to the statement of cash flows.....	33
17. Financial risk management	34
18. Derivative hedging instruments	34
19. Capital management.....	35
20. Significant related-party transactions	36
21. Contingent liabilities, guarantees, sureties and security interests over the Group's assets.....	37
22. Court, enforcement, tax and other proceedings.....	38
23. Material events after the reporting period	42
24. Factors and events, including of a non-recurring nature, with a material bearing on the financial statements.....	42
25. Other information relevant to the assessment of the staffing levels, assets and financial standing.....	43
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS.....	44
SEPARATE STATEMENT OF PROFIT OR LOSS.....	45
SEPARATE STATEMENT OF COMPREHENSIVE INCOME.....	46
SEPARATE STATEMENT OF FINANCIAL POSITION	47
SEPARATE STATEMENT OF CASH FLOWS.....	48
SEPARATE STATEMENT OF CHANGES IN EQUITY	49
NOTES TO THE SEPARATE FINANCIAL STATEMENTS.....	50
1. Net revenue	50
2. Costs	50
3. Finance income and expense	51
4. Income tax	51
5. Investments in subsidiaries.....	52
6. Other financial assets.....	53
7. Purchased debt.....	53
8. Financial assets measured at amortised cost.....	54
9. Loans and other debt instruments	54
10. Material events after the reporting period	56
11. Factors and events, including of a non-recurring nature, with a material bearing on the financial statements.....	57
12. Other information relevant to the assessment of the staffing levels, assets and financial standing.....	57
APPROVAL FOR PUBLICATION.....	58

Interim condensed consolidated and separate financial statements for the period of 6 months ended
30 September 2022

SELECTED FINANCIAL DATA OF THE GROUP

	30/09/2022	31/03/2022	30/09/2022	31/03/2022
	PLN thousand		EUR thousand	
Selected financial ratios				
Net financial debt	268,360	281,354	55,107	60,474
Equity	321,895	300,587	66,100	64,608
Net financial debt / equity	0.83	0.94	0.83	0.94
PLN/EUR exchange rate as at the balance sheet date	4.8698	4.6525	4.8698	4.6525
Consolidated statement of financial position				
Total assets	681,838	733,294	140,014	157,613
Total liabilities	359,943	432,707	73,913	93,005
Long-term liabilities	271,301	255,534	55,711	54,924
Short-term liabilities	88,642	177,173	18,202	38,081
Equity	321,895	300,587	66,100	64,608
Equity attributable to owners of the parent	321,219	299,883	65,961	64,456
	01/04/2022- 30/09/2022	01/04/2021- 30/09/2021	01/04/2022- 30/09/2022	01/04/2021- 30/09/2021
Consolidated statement of profit or loss				
Net revenue	103,175	109,357	21,913	24,026
Operating profit/(loss)	32,166	46,360	6,832	10,185
Profit/(loss) before tax	19,713	31,242	4,187	6,864
Net profit (loss)	15,318	26,151	3,253	5,745
Net profit/(loss) attributable to owners of the parent	14,586	25,978	3,098	5,707
Earnings/(loss) per share in PLN	1.13	2.01	0.24	0.44
Diluted earnings/(loss) per share in PLN	1.13	2.01	0.24	0.44
Average PLN/EUR exchange rate in the period	4.7084	4.5517	4.7084	4.5517
Consolidated statement of cash flows				
Net cash (used in)/from operating activities	86,732	89,541	18,421	19,672
Net cash (used in)/from investing activities	(47,893)	(12,643)	(10,172)	(2,778)
Net cash (used in)/from financing activities	(79,277)	(72,242)	(16,837)	(15,871)
Net increase/(decrease) in cash and cash equivalents	(40,438)	4,656	(8,588)	1,023
Average PLN/EUR exchange rate in the period	4.7084	4.5517	4.7084	4.5517

Interim condensed consolidated and separate financial statements for the period of 6 months ended
30 September 2022

SELECTED SEPARATE FINANCIAL DATA OF THE COMPANY

	30/09/2022	31/03/2022	30/09/2022	31/03/2022
	PLN thousand		EUR thousand	
Statement of financial position				
Total assets	374,670	435,427	76,937	93,590
Total liabilities	301,955	363,364	62,006	78,101
Long-term liabilities	222,098	197,494	45,607	42,449
Short-term liabilities	79,857	165,870	16,398	35,652
Equity	72,715	72,063	14,932	15,489
Share capital	12,897	12,897	2,648	2,772
PLN/EUR exchange rate as at the balance sheet date	4.8698	4.6525	4.8698	4.6525

	01/04/2022- 30/09/2022	01/04/2021- 30/09/2021	01/04/2022- 30/09/2022	01/04/2021- 30/09/2021
Statement of profit or loss				
Net revenue	40,123	36,526	8,522	8,025
Operating profit/(loss)	1,356	(1,181)	288	(259)
Profit/(loss) before tax	9	(6,422)	2	(1,411)
Net profit/(loss)	1,070	(9,294)	227	(2,042)
Earnings/(loss) per share in PLN	0.08	(0.72)	0.02	(0.16)
Diluted earnings/(loss) per share in PLN	0.08	(0.72)	0.02	(0.16)
Average PLN/EUR exchange rate in the period	4.7084	4.5517	4.7084	4.5517

Statement of Cash Flows				
Net cash (used in)/from operating activities	2,877	737	611	162
Net cash (used in)/from investing activities	58,785	49,400	12,485	10,853
Net cash (used in)/from financing activities	(74,441)	(57,045)	(15,810)	(12,533)
Net increase/(decrease) in cash and cash equivalents	(12,779)	(6,908)	(2,714)	(1,518)
Average PLN/EUR exchange rate in the period	4.7084	4.5517	4.7084	4.5517

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	01/04/2022- 30/09/2022	01/07/2022- 30/09/2022	01/04/2021- 30/09/2021	01/07/2021- 30/09/2021
Net revenue					
Interest income on debt portfolios calculated using the effective interest method		59,127	29,503	61,133	29,257
Revaluation of portfolios	5.1	43,595	17,787	46,605	33,211
Other revenue / costs	5.2	453	(662)	1,619	539
Total net revenues		103,175	46,628	109,357	63,007
Employee benefits expense		(25,502)	(13,029)	(22,532)	(11,849)
Depreciation and amortisation		(3,679)	(1,759)	(3,382)	(1,700)
External services		(21,441)	(10,473)	(19,897)	(10,931)
Other operating expenses		(20,387)	(10,466)	(17,186)	(8,473)
Total operating expenses	6	(71,009)	(35,727)	(62,997)	(32,953)
Profit (loss) on operating activities		32,166	(10,901)	46,360	30,054
Finance income, including:	7	6,604	4,293	2,876	1,988
interest on instruments measured at amortised cost		948	641	257	170
Finance expense, including:	7	(19,057)	(10,987)	(17,994)	(7,602)
interest on instruments measured at amortised cost		(16,916)	(9,043)	(10,509)	(5,216)
Profit (loss) before tax		19,713	4,207	31,242	24,440
Income tax	8	(4,395)	(3,599)	(5,091)	(4,817)
Net profit (loss)		15,318	608	26,151	19,623
Net profit attributable to:					
Owners of the parent		14,586	397	25,978	19,558
Non-controlling interests		732	211	173	65
Earnings/(loss) per share (PLN)					
ordinary	14.4	1.13	0.03	2.01	1.51
diluted	14.4	1.13	0.03	2.01	1.51

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	01/04/2022- 30/09/2022	01/07/2022- 30/09/2022	01/04/2021- 30/09/2021	01/07/2021- 30/09/2021
Net profit (loss)		15,318	608	26,151	19,623
Gains/(losses) recognised in the period in other comprehensive income	18	2,977	1,802	(1,338)	(98)
Amounts transferred to profit or loss	18	(3,605)	(2,631)	5,924	2,978
Income tax	18	119	157	(871)	(1,394)
Exchange differences on translation of foreign operations		7,259	1,350	1,103	1,940
Other comprehensive income		6,750	678	4,818	3,426
Total comprehensive income		22,068	1,286	30,969	23,049
Comprehensive income attributable to:					
owners of the parent		21,336	1,075	30,796	22,984
non-controlling interests		732	211	173	65

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note	30/09/2022	31/03/2022
Goodwill		7,773	7,773
Intangible assets		8,110	8,787
Property, plant and equipment (PP&E)		16,808	14,309
Investment property		11,136	13,029
Receivables and loans	11	910	656
Derivative financial instruments	18	-	2,902
Other non-current financial assets	9	1,497	1,600
Property, plant and equipment		46,234	49,056
Trade and other receivables	11	8,220	7,936
Derivative financial instruments	18	5,359	-
Current income tax receivables		515	1,260
Purchased debt	10	561,806	575,287
Loans	11	29	29
Other current financial assets	9	369	587
Current accruals and deferred income		1,521	916
Cash and cash equivalents		57,785	98,223
Current assets		635,604	684,238
Total assets		681,838	733,294

Equity and liabilities	Note	30/09/2022	31/03/2022
Share capital	14.1	12,897	12,897
Supplementary capital		91,470	105,691
Revaluation reserve		959	1,468
Exchange differences		2,159	(5,100)
Retained earnings, including		213,734	184,927
net profit attributable to owners of the parent		14,586	30,738
profit brought forward		199,148	154,189
Equity attributable to owners of the parent		321,219	299,883
Non-controlling interests		676	704
Total equity		321,895	300,587
Loans and other debt instruments	15	257,395	242,710
Lease liabilities		8,382	6,136
Deferred tax liabilities	12	5,524	6,688
Long-term liabilities		271,301	255,534
Trade and other payables		18,379	30,126
Current income tax liabilities		696	219
Loans and other debt instruments	15	57,689	128,252
Lease liabilities		2,679	2,479
Derivative financial instruments	18	-	3,659
Other short-term provisions		4,904	8,472
Current accruals and deferred income		4,295	3,966
Short-term liabilities		88,642	177,173
Total liabilities		359,943	432,707
Total liabilities		681,838	733,294

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	01/04/2022-30/09/2022	01/04/2021-30/09/2021
Profit (loss) before tax		19,713	31,242
Adjustments for:			
Depreciation of and impairment loss on property, plant and equipment		1,971	1,831
Amortisation and impairment of intangible assets		1,708	1,551
Purchased debt – difference between recoveries and interest income	10	96,628	80,966
Purchased debt – revaluation	5.1	(43,595)	(46,605)
Gain/(loss) on disposal of non-financial non-current assets		-	420
Financial costs		19,057	17,994
Finance income		(6,604)	(2,876)
Exchange differences	16	4,289	(320)
Other adjustments		3,000	532
Total adjustments		76,454	53,493
Change in receivables		209	2,510
Change in liabilities	16	1,331	3,538
Change in provisions, accruals and prepaid expenses		(7,182)	(555)
Cash generated by operations		90,525	90,228
Income tax paid		(3,793)	(687)
Net cash from operating activities		86,732	89,541
Purchased debt – purchase of debt portfolios	16	(47,203)	(7,044)
Purchased debt – sale of debt portfolios	10	-	-
Proceeds on disposal of investment property		711	1,747
Inflows from sales of tangible fixed assets		160	-
Proceeds on disposal of other financial assets		312	-
Acquisition of a subsidiary, net of cash acquired		-	(2,078)
Purchase of intangible assets		(1,023)	(3,133)
Purchase of property, plant and equipment		(601)	(1,175)
Purchase of investment property		(307)	(1,049)
Interest received		58	89
Net cash from investing activities		(47,893)	(12,643)
Proceeds from loans		18,150	7,044
Proceeds on issue of debt securities		32,689	-
Redemption of debt securities		(87,534)	(39,772)
Payments under settlement of hedging transactions		(4,774)	(12,517)
Repayments of credit facilities and loans		(16,221)	(13,582)
Repayment of lease liabilities		(2,210)	(1,331)
Interest paid		(18,617)	(11,368)
Dividends paid to owners		(760)	(716)
Net cash from financing activities		(79,277)	(72,242)
Net increase/(decrease) in cash and cash equivalents		(40,438)	4,656
Cash and cash equivalents at the beginning of the period		98,223	74,041
Effect of foreign exchange rate changes		-	-
Cash and cash equivalents at the end of the period		57,785	78,697

Interim condensed consolidated financial statements for the period of 6 months ended 30 September 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
As 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	-	-	-	-	-	-	(760)	(760)
Total transactions with owners	-	-	-	-	-	-	(760)	(760)
Net profit	-	-	-	-	14,586	14,586	732	15,318
Other comprehensive income	-	-	(509)	7,259	-	6,750	-	6,750
Total comprehensive income	-	-	(509)	7,259	14,586	21,336	732	22,068
Allocation of profit	-	(14,221)	-	-	14,221	-	-	-
As at 30 September 2022	12,897	91,470	959	2,159	213,734	321,219	676	321,895

	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)
Total transactions with owners	-	-	-	-	-	-	(716)	(716)
Net profit	-	-	-	-	25,978	25,978	173	26,151
Other comprehensive income	-	-	3,715	1,103	-	4,818	-	4,818
Total comprehensive income	-	-	3,715	1,103	25,978	30,796	173	30,969
Allocation of profit	-	(15,257)	-	-	15,257	-	-	-
As at 30 September 2021	12,897	99,106	(4,013)	(1,567)	186,752	293,175	460	293,635

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

1.1. Parent

The Kredyt Inkaso Group (the "Group") is controlled by the parent – Kredyt Inkaso Spółka Akcyjna (the "Parent", the "Company").

Registered office of the Company	02-676 Warszawa, ul. Postępu 21B, Poland
Place of business	02-676 Warszawa, ul. Postępu 21B, Poland
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 of entry 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.

As of 28 July 2022, the registered office of the Company changed and it currently located at ul. Postępu 21B 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

Barbara Rudziks	President of the Management Board
Maciej Szymański	Vice-President of the Management Board
Iwona Słomska	Vice-President of the Management Board
Mateusz Boguta	Members 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 effective as of 11 July 2022.
- On 25 October 2022, Mr Mateusz Boguta was appointed as Member of the Management Board,
- On 24 November 2022, the Supervisory Board made changes to the functions performed by Members of the Management Board of the Company: Ms Barbara Rudziks, acting thus far as Vice President of the Management Board of the Company, was appointed as the President of the Management Board of the Company, whereas Maciej Szymański, acting thus far as President of the Management Board of the Company, has been appointed as Vice President of the Management Board of the Company.

1.2.2. Supervisory Board

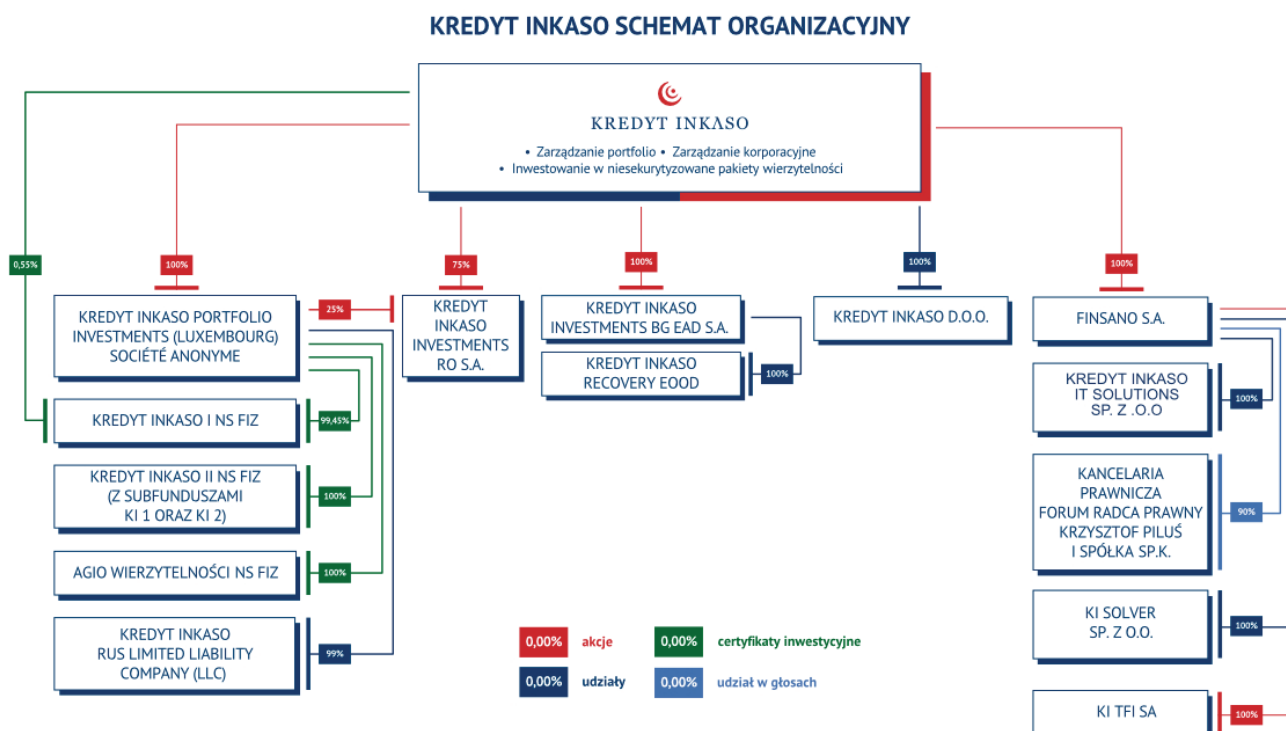
Bogdan Dzdzewicz	Chairman
Marcin Okoński	Deputy Chairman
Daniel Dąbrowski	Member
Raimondo Eggink	Member
Karol Sowa	Secretary

The Ordinary General Meeting of the Company, which appointed the aforementioned composition of the Supervisory Board, was held on 30 September 2022.

On the basis of resolutions adopted by the Ordinary General Meeting of Kredyt Inkaso S.A.:

- Mr Raimondo Eggink was appointed as Member of the Management Board,
- Mr Karol Szymański was not appointed for another term.

1.3. Information about the Group



The organisational structure of the Group as at the balance sheet date. In the reporting period, the composition of the Group did not change.

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 Piliś 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.	Warsaw, Poland	100%	100%	Provision of IT services
Kredyt Inkaso Investments RO S.A.	Bucharest, Romania	100%	100%	Investing in debt portfolios, servicing of debt assets
Kredyt Inkaso Investments BG EAD S.A.	Sofia, Bulgaria	100%	100%	Investment in debt portfolios, servicing of debt assets
Kredyt Inkaso RUS Limited Liability Company (LLC)	Moscow, Russia	99%	99%	Investment in debt portfolios, servicing of debt assets
Kredyt Inkaso RECOVERY EOOD	Sofia, Bulgaria	100%	100%	Investment in debt portfolios, servicing of debt assets
Kredyt Inkaso d.o.o.	Zagreb, Croatia	100%	100%	Investment in debt portfolios, servicing of debt assets
Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme	Luxembourg	100%	100%	Investment in debt portfolios, investment 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 S.A.	Warsaw, Poland	100%	100%	Investment fund establishment and management
AGIO Wierzytelności NSFIZ	Warsaw, Poland	100%	100%	Investing in debt portfolios
KI Solver Sp. z o.o. (formerly 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 for the preparation of the interim condensed consolidated financial statements and accounting policies

2.1. Basis for the preparation of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements of the Group cover a period of 6 months ended 30 September 2022 and contain:

- comparative information for a period of 6 months ended 30 September 2021 for the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows;
- comparative information as at 31 March 2022 for the statement of financial position.
- current and comparative information for a period of 3 months ended 30 September 2022 and 30 September 2021, respectively, for the statement of profit or loss, statement of other comprehensive income.

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not contain all the information which is disclosed in full-year consolidated financial statements prepared in

accordance with IFRS. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Group for the financial year ended 31 March 2022.

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

These interim condensed consolidated financial statements have been prepared on the assumption that Group entities will continue as going concerns in the foreseeable future. As at the date of approval of these interim condensed consolidated financial statements for publication, no facts or circumstances exist that would indicate any threat to the Group companies continuing as going concerns.

The duration of entities forming part of the Group is unlimited. For consolidation purposes, the financial data of all subsidiaries has been prepared for the same period as the Parent's financial statements, using uniform accounting policies. The interim condensed consolidated financial statements include adjustments to ensure that the financial data of individual Group companies is in compliance with IFRS.

On 24 February 2022, the armed forces of the Russian Federation invaded Ukraine and initiated acts of war in that region. In the reporting period, the war did not have any further relevant, negative effects beyond those included in the full-year consolidated and separate full-year financial statements. All forecasts are subject to high uncertainty due to the unprecedented nature of the war of this scale in the recent history of Poland's surrounding areas and the high pace of events. As regards the subsidiary Kredyt Inkaso RUS Limited Liability Company (LLC) ("KI RUS"), the Group maintains all assumptions presented in the full-year consolidated financial statements published on 30 June 2022, in particular as regards the continuation of operations and asset valuation.

2.2. Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards and the related interpretations issued in the form of the European Commission's regulations, as well as requirements for issuers of securities admitted to official stock-exchange trading or for which a request for admission to official stock-exchange trading has been made.

2.3. Material judgements and estimates

In the preparation of interim condensed consolidated financial statements, the Parent's Management Board makes estimates, judgements and assumptions concerning the measurement of individual assets and liabilities. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Although estimates are based on the best knowledge of current circumstances, actual results may deviate from these estimates. Information on judgements and estimates material to these interim condensed consolidated financial statements has been presented below.

2.3.1. 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.

2.3.2. 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.

2.3.3. Investment property

The Group measures investment properties at fair value. The measurement of investment properties as at the balance sheet date reflects their market value and is based on estimates prepared by independent appraisers. The measurement is carried out at least once a year. The change in real estate measurement is recognised in correspondence with the income statement.

2.3.4. Impairment

The impairment of assets is measured at least once a year, at the end of the reporting period, in the form of goodwill. The impairment test is carried out using the discounted cash flow method based on projections and assumptions concerning the development of cash flows generated by cash generating centres to which specific goodwill is assigned.

Any impairment of goodwill is recognised in the income statement and is not to be subject to reversal in future reporting periods.

2.3.5. Deferred tax assets

Deferred tax assets are determined as the amount of income tax expected to be recovered in the future in respect of deductible temporary differences which will reduce the future tax base and any deductible tax losses, and in accordance with the prudence principle. Deferred tax liabilities are recognised in the amount that will cause an increase in income tax payable in the future in connection with taxable temporary differences between the carrying amount of assets and liabilities and their tax base. When measuring deferred tax assets, an income tax rate is applied which to the best of the Company's knowledge will be effective in the year when these assets will be realised. Deferred tax assets connected with an unrecognised tax loss or unutilised tax credit are recognised only to the extent that it is probable that taxable income will be earned, allowing to realise them.

2.4. Accounting policies applied

These interim condensed consolidated financial statements have been prepared in line with the accounting policies presented in the most recent consolidated financial statements of the Group for the year ended 31 March 2022, except for standards applied for the first time described below herein.

2.4.1. Foreign currency transactions

Transactions denominated in currencies other than PLN are translated into PLN at the exchange rate of the bank whose services are used by the Company, effective as at the transaction date.

Cash items denominated in foreign currencies are translated at the closing rate (spot rate), i.e. at the rate announced by the leading bank, from the first listing on the reporting date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated at the average exchange rate of the National Bank of Poland published on the day preceding the transaction date.

Non-monetary assets and liabilities measured at fair value in a foreign currency are translated at the average exchange rate of the National Bank of Poland effective as at the day when fair value is determined.

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

	Reporting period ended 30 September 2022	Average exchange rate	Exchange rate at the end of the reporting period
RON 1		0.9550	0.9838
BGN 1		2.4074	2.4899
RUB 1		0.0767	0.0851
HRK 1		0.6251	0.6470
EUR 1		4.7084	4.8698

	Reporting period ended 30 September 2021	Average exchange rate	Exchange rate at the end of the reporting period
--	--	-----------------------	--

	Reporting period ended 30 September 2022	Average exchange rate	Exchange rate at the end of the reporting period
RON 1		0.9233	0.9365
BGN 1		2.3272	2.3687
RUB 1		0.0521	0.0549
HRK 1		0.6066	0.6189
EUR 1		4.5517	4.6329

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,
- Debt 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 in-house 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 portion of revenue that can be allocated on a reasonable basis to a segment, earned from sales to external customers or from transactions with other segments.

Segment expenses are expenses resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion of the Group's expenses 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 the year 2022/23:

- Amendments to IAS 16 *Property, Plant and Equipment* – prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (effective for 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 improvements (effective for annual periods beginning on or after 1 January 2022),
- Amendments to the IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* – method of assessing whether the contract is onerous (effective for annual periods beginning on or after 1 January 2022),

- Annual Improvements to IFRSs 2018-2020 Cycle – explanations and clarifications of guidelines on recognition and measurement: IFRS 1 First-Time Adoption of IFRS, IFRS 9 Financial Instruments, IAS 41 Agriculture, and illustrative examples on IFRS 16 Leases (effective for 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 and approved by the EU but not yet in force

As 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:

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates* (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 12 *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IFRS 17 *Insurance Contracts* – uniform recognition of all insurance contracts (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IFRS 17 *Insurance Contracts* – Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 1 *Presentation of Financial Statements* and IASB's guidance on disclosures about accounting policies in practice – materiality of policy disclosures (effective for annual periods beginning on or after 1 January 2023).

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 as at the balance sheet date.

2.7. New standards and amendments to existing standards already adopted by the IASB but not yet approved for application by the EU

- Amendments to IAS 1 *Presentation of Financial Statements* – classification of liabilities as current or non-current and requirement of disclosure of material information on accounting policies (effective for annual periods beginning on or after 1 January 2024),
- IFRS 16 *Leases – Lease Liability in a Sale and Leaseback* (issued on 22 September 2022) (effective for annual periods beginning on or after 1 January 2024).

2.8. Change in significant accounting policies

The accounting policies applied to prepare these interim condensed consolidated financial statements are consistent with those applied to prepare the most recent full-year consolidated financial statements prepared as at and for the year ended 31 March 2022.

2.9. Seasonality and cyclicity of business

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

3. Operating segments

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

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

Company name	Operating segment
Kredyt Inkaso S.A.	debt 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 management
Finsano S.A.	corporate functions
Kredyt Inkaso IT Solutions 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 S.A.	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. (formerly Advisers Sp. z o.o.)	debt management

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

	Debt trading	Debt management	Corporate functions	Consolidation eliminations	Total
Net revenue	92,188	12,306	(1,319)	-	103,175
Net inter-segment revenue	2,574	27,199	5,726	(35,499)	-
Total net revenue	94,762	39,505	4,407	(35,499)	103,175
Total operating expenses	(63,701)	(37,112)	(5,695)	35,499	(71,009)
Segment operating profit/(loss)	31,061	2,393	(1,288)	-	32,166
Finance income					6,604
Financial costs					(19,057)
Profit before tax					19,713
Income tax					(4,395)
Net profit					15,318

Segment performance in the current quarter is presented in the table below.

	Debt trading	Debt management	Corporate functions	Consolidation eliminations	Total
Net revenue	43,797	4,204	(1,373)	-	46,628
Net inter-segment revenue	1,239	12,050	2,752	(16,041)	-
Total net revenue	45,036	16,254	1,379	(16,041)	46,628
Total operating expenses	(30,927)	(17,964)	(2,877)	16,041	(35,727)
Segment operating profit/(loss)	14,109	(1,710)	(1,498)	-	(10,901)

Interim condensed consolidated financial statements for the period of 6 months ended 30 September 2022

	Debt trading	Debt management	Corporate functions	Consolidation eliminations	Total
Finance income					4,293
Financial costs					(10,987)
Profit before tax					4,207
Income tax					(3,599)
Net profit					608

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

	Debt trading	Debt management	Corporate functions	Consolidation eliminations	Total
Net revenue	94,525	15,033	(201)	-	109,357
Net inter-segment revenue	3,968	20,209	4,963	(29,140)	-
Total net revenue	98,493	35,242	4,762	(29,140)	109,357
Total operating expenses	(51,150)	(35,290)	(5,697)	29,140	(62,997)
Segment operating profit/(loss)	47,343	(48)	(935)	-	46,360
Finance income					2,876
Financial costs					(17,994)
Profit before tax					31,242
Income tax					(5,091)
Net profit					26,151

Segment performance in the comparative quarter is presented in the table below.

	Debt trading	Debt management	Corporate functions	Consolidation eliminations	Total
Net revenue	53,471	9,728	(192)	-	63,007
Net inter-segment revenue	1,809	10,407	2,565	(14,781)	-
Total net revenue	55,280	20,135	2,373	(14,781)	63,007
Total operating expenses	(26,033)	(18,555)	(3,146)	14,781	(32,953)
Segment operating profit/(loss)	29,247	1,580	(773)	-	30,054
Finance income					1,988
Financial costs					(7,602)
Profit before tax					24,440
Income tax					(4,817)
Net profit					19,623

	Debt trading	Debt management	Corporate functions	Consolidation eliminations	Total
As at 30 September 2022					
Segment assets	314,110	378,666	35,337	(46,275)	681,838
Segment liabilities	93,420	303,271	9,527	(46,275)	359,943

	Debt trading	Debt management	Corporate functions	Consolidation eliminations	Total
Equity	220,690	75,395	25,810	-	321,895
As at 31 March 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 reportable segments. Goodwill was allocated to reportable segments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

All liabilities are allocated to reportable segments. Liabilities attributable to different reportable 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 recoveries from external customers by geographical location and information about the carrying amount of debt portfolios generating recoveries from debtors are detailed below.

Recoveries from debtors by geographical regions	01/04/2022-30/09/2022	01/07/2022-30/09/2022	01/04/2021-30/09/2021	01/07/2021-30/09/2021
Poland	107,391	51,703	90,638	45,088
Romania	22,060	11,377	29,625	14,461
Russia	15,902	7,865	12,699	7,105
Bulgaria	10,258	5,167	8,897	4,588
Croatia	144	39	240	81
In total	155,755	76,151	142,099	71,323

Carrying amount of purchased debt by geographical location.

	30/09/2022		31/03/2022	
	Carrying amount	Percentage share	Carrying amount	Percentage share
Poland	439,423	78.3%	442,218	76.9%
Romania	87,024	15.5%	92,737	16.1%
Russia	798	0.1%	3,641	0.6%
Bulgaria	33,361	5.9%	35,494	6.2%
Croatia	1,200	0.2%	1,197	0.2%
In total	561,806	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 portfolios receivables

Revaluation of portfolios	01/04/2022- 30/09/2022	01/07/2022- 30/09/2022	01/04/2021- 30/09/2021	01/07/2021- 30/09/2021
Revision of projection	(1,652)	(3,266)	9,363	13,403
Deviations of actual payments from projected payments	41,975	18,581	37,627	18,262
Extension of projected recoveries	611	303	661	323
Changes to exchange rates	2,661	2,169	(1,046)	1,223
In total	43,595	17,787	46,605	33,211

Revaluation of portfolios covers the following components:

- (1) Review of future recovery projection:
 - (a) revaluation of future recovery curves, taking into account past recoveries and planned recoveries based on statistical models;
 - (b) for secured debt portfolios – postponement and/or change of amount or projected recoveries, where enforcement of claims against security was postponed;
- (2) Differences between actual payments and projected payments – difference for the reporting period between actual payments by debtors and projected payments in recovery 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 recoveries – extension by another period of projected recoveries from debt portfolios to match a fixed, standard 15-year recovery estimation period;
- (4) Change in currency exchange rate – impact of changes in exchange rates on debt portfolios denominated in foreign currencies.

5.2. Other revenue / costs

Other revenue / costs	01/04/2022- 30/09/2022	01/07/2022- 30/09/2022	01/04/2021- 30/09/2021	01/07/2021- 30/09/2021
Revenue from debt management	1,371	737	1,691	869
Net revenue from sale and repossession of property	(1,178)	(1,523)	235	(541)
Cost of provision for overpayments	2	(42)	(480)	44
Other revenue	258	166	173	167
In total	453	(662)	1,619	539

6. Costs

Costs by type	01/04/2022-30/09/2022	01/07/2022-30/09/2022	01/04/2021-30/09/2021	01/07/2021-30/09/2021
Remunerations, social insurance contributions and other benefits	25,502	13,029	22,532	11,849
External services	21,441	10,473	19,897	10,931
Court and enforcement fees	17,738	9,206	15,012	7,285
Depreciation and amortisation	3,679	1,759	3,382	1,700
Taxes and charges	665	393	609	294
Consumption of materials and energy	965	430	663	379
Other costs by type	1,019	437	902	515
In total	71,009	35,727	62,997	32,953

7. Finance income and expense

Finance income	01/04/2022-30/09/2022	01/07/2022-30/09/2022	01/04/2021-30/09/2021	01/07/2021-30/09/2021
Interest income on financial assets measured at amortised cost	948	641	257	170
Interest income on derivative hedging instruments	3,605	2,631	-	-
Ineffective portion of financial risk hedge	67	-	2,581	1,865
Foreign currency translation gains	1,979	1,020	-	-
Other finance income	5	1	38	(47)
In total	6,604	4,293	2,876	1,988

Finance expense	01/04/2022-30/09/2022	01/07/2022-30/09/2022	01/04/2021-30/09/2021	01/07/2021-30/09/2021
Interest expense for financial liabilities	16,916	9,043	10,509	5,216
Other interest, including	438	241	309	245
on lease liabilities	379	231	309	254
Ineffective portion of financial risk hedge	1,703	1,703	-	-
Interest expense on derivative hedging instruments	-	-	5,924	2,978
Other finance expenses	-	-	9	(14)
Foreign exchange losses	-	-	1,243	(823)
In total	19,057	10,987	17,994	7,602

8. Income tax

	01/04/2022-30/09/2022	01/07/2022-30/09/2022	01/04/2021-30/09/2021	01/07/2021-30/09/2021
Current year	(5,025)	(3,644)	(2,499)	(1,345)
Brought forward	(417)	(417)	-	-
Current income tax	(5,442)	(4,061)	(2,499)	(1,345)
Current year	1,047	462	(2,592)	(3,472)
Deferred income tax	1,047	462	(2,592)	(3,472)
Total income tax expense recognised in the current year	(4,395)	(3,599)	(5,091)	(4,817)

Income tax rates applied by Group companies	01/04/2022-30/09/2022	01/04/2021-30/09/2021
Poland	19%*	19%
Romania	16%	16%
Bulgaria	10%	10%
Luxembourg	29%	29%
Russia	20%	20%
Croatia	10%	10%

*Kancelaria Prawnicza FORUM Radca Prawny Krzysztof Piluś i Spółka sp.k. settles tax at the rate of 9%.

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

	01/04/2022-30/09/2022	01/07/2022-30/09/2022	01/04/2021-30/09/2021	01/07/2021-30/09/2021
Profit from continuing operations before tax	19,713	4,207	31,242	24,440
Income tax at 19%	(3,745)	(799)	(5,936)	(4,644)
Difference between foreign tax rates and 19%	(941)	(965)	398	248
Non-taxable income	20,289	8,884	35,861	11,059
Tax income other than for accounting purposes	(33)	(33)	(898)	(879)
Non-tax-deductible expenses	(20,527)	(10,317)	(32,867)	(8,960)
Tax loss brought forward	-	7	(17)	(11)
Write-off/activation of tax losses/credits	977	(82)	(1,995)	(1,502)
Tax effect of tax rate change	121	65	109	59
Reimbursable advances paid	(33)	(33)	-	-
Adjustment for prior period items	-	-	(114)	(114)
Tax expense other than for accounting purposes	-	182	398	(43)
Prepayments	-	-	-	-
Other items with an impact on the amount of tax expense	(503)	(508)	(30)	(30)
Income tax expense recognised in profit or loss from continuing operations	(4,395)	(3,599)	(5,091)	(4,817)

9. Other financial assets

The Group presents the following investments under other financial assets:

	30/09/2022		31/03/2022	
	Current assets	Non-current assets	Current assets	Non-current assets
Debt instruments	47	1,497	268	1,600
Financial assets measured at fair value through profit or loss	322	-	319	-
In total	369	1,497	587	1,600

10. Purchased debt

Types of debt portfolios	30/09/2022	31/03/2022
Retail	301,131	328,040
Telecommunication	125,368	127,411
Consumer loans	88,640	75,822
Mortgage	28,579	26,766
Corporate	17,586	16,658
Insurance	483	570
Other	19	20
In total	561,806	575,287

Movements in debt portfolios	01/04/2022-30/09/2022	01/04/2021-30/09/2021
Opening balance	575,287	628,615
Purchase of debt portfolios	34,603	7,044
Sale of debt portfolios	-	-
Revaluation	43,595	46,605
Exchange differences	4,949	181
Recoveries from indebted persons	(155,755)	(142,099)
Interest income on debt portfolios	59,127	61,133
Closing balance	561,806	601,479

11. Receivables and loans

	30/09/2022	31/03/2022
Non-current assets		
Receivables	910	656
Current assets		
Trade and other receivables	8,220	7,936
Loans	29	29

The Group recognises impairment losses on other receivables comprised of the following:

- a PLN 3,665 thousand impairment loss on reimbursement of court fees related to debt collection actions before courts as at 30/09/2022, PLN 2,834 thousand as at the end of the comparative period,
- a PLN 620 thousand impairment loss on receivables related to court cases instigated by the Group as at 30/09/2022, PLN 593 thousand as at the end of the comparative period,
- a PLN 448 thousand impairment loss on other receivables. as at 30/09/2022, PLN 437 thousand as at the end of the comparative period.

12. Deferred tax assets and liabilities

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

Deferred income tax	30/09/2022	31/03/2022
Balance at beginning of year:		
Deferred tax assets	3,855	8,102
Deferred income tax provision	(10,545)	(9,579)
Net deferred tax at beginning of period	(6,690)	(1,477)
Changes in the period recognised in:		
Statement of profit or loss (+/-)	1,047	(3,055)
Other comprehensive income (+/-)	119	(2,157)
Net deferred tax at end of period, including:	(5,524)	(6,689)
Deferred tax assets	6,690	3,856
Deferred income tax provision	(12,214)	(10,545)

	31/03/2022	Change in the statement of profit or loss	Change in other comprehensive income	30/09/2022
Deferred tax assets				
Property, plant and equipment – right-of-use asset	67	1	-	68
Investment property	-	4	-	4
Provisions for employee benefits	1,004	(565)	-	439
Other provisions	307	153	-	460
Loans and other debt instruments	286	(405)	119	-
Other liabilities	744	629	-	1,373
Unused tax losses	626	2,906	-	3,532
Other assets	821	(7)	-	814
In total	3,855	2,716	119	6,690
Deferred tax liabilities				
Property, plant and equipment and intangible assets	673	55	-	728
Investment property	274	(274)	-	-
Receivables and loans, measurement of financial assets	9,484	1,852	-	11,336
Loans and other debt instruments	-	36	-	36
Other assets	114	-	-	114
In total	10,545	1,669	-	12,214
Net deferred tax	(6,690)	1,047	119	(5,524)

	31 Mar 2021	Change in the statement of profit or loss	Change in other comprehensive income	31/03/2022
Deferred tax assets				
Property, plant and equipment – right-of-use asset	46	21	-	67
Provisions for employee benefits	647	357	-	1,004
Other provisions	355	(48)	-	307
Loans and other debt instruments	5,484	(3,041)	(2,157)	286
Other liabilities	553	191	-	744
Unused tax losses	81	545	-	626
Other assets	936	(115)	-	821
In total	8,102	(2,089)	(2,157)	3,856
Deferred tax liabilities				
Property, plant and equipment and intangible assets	495	178	-	673
Investment property	127	147	-	274
Receivables and loans, measurement of financial assets	8,809	675	-	9,484
Other assets	148	(34)	-	114
In total	9,579	966	-	10,545
Net deferred tax	(1,477)	(3,055)	(2,157)	(6,689)

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.

Interim condensed consolidated financial statements for the period of 6 months ended 30 September 2022

	Carrying amount as at 30/09/2022				Fair value as at 30/09/2022			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current assets								
Receivables and loans	-	-	910	910	-	-	910	910
Other non-current financial assets – debt instruments	-	-	1,497	1,497	-	-	1,497	1,497
Current assets								
Trade and other receivables	-	-	8,220	8,220	-	-	8,220	8,220
Derivative financial instruments	-	5,359	-	5,359	-	5,359	-	5,359
Purchased debt	-	-	561,806	561,806	-	-	454,281	454,281
Loans	-	-	29	29	-	-	29	29
Other current financial assets – debt instruments	-	-	47	47	-	-	47	47
Other current financial assets – shares	322	-	-	322	-	-	322	322
Cash and cash equivalents	-	-	57,785	57,785	-	-	57,785	57,785
Financial liabilities								
Non-current liabilities								
Loans and other debt instruments	-	-	257,395	257,395	-	-	257,395	257,395
Lease liabilities	-	-	8,382	8,382	-	-	8,382	8,382
Current liabilities								
Loans and other debt instruments	-	-	57,689	57,689	-	-	57,689	57,689
Lease liabilities	-	-	2,679	2,679	-	-	2,679	2,679

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

Interim condensed consolidated financial statements for the period of 6 months ended 30 September 2022

	Carrying amount 31 Mar 2022				Fair value 31 Mar 2022			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Non-current assets								
Receivables and loans	-	-	656	656	-	-	656	656
Other non-current financial assets – debt instruments	-	-	1,600	1,600	-	-	1,600	1,600
Derivative financial instruments	-	2,902	-	2,902	-	2,902	-	2,902
Current assets								
Trade and other receivables	-	-	7,936	7,936	-	-	7,936	7,936
Purchased debt	-	-	575,287	575,287	-	-	488,022	488,022
Loans	-	-	29	29	-	-	29	29
Other current financial assets – debt instruments	-	-	268	268	-	-	268	268
Other current financial assets – shares	319	-	-	319	-	-	319	319
Cash and cash equivalents	-	-	98,223	98,223	-	-	98,223	98,223
Financial liabilities								
Non-current liabilities								
Loans and other debt instruments	-	-	242,710	242,710	-	-	242,710	242,710
Lease liabilities	-	-	6,136	6,136	-	-	6,136	6,136
Current liabilities								
Loans and other debt instruments	-	-	128,252	128,252	-	-	128,252	128,252
Lease liabilities	-	-	2,479	2,479	-	-	2,479	2,479
Derivative financial instruments	-	3,659	-	3,659	-	3,659	-	3,659

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

	30/09/2022	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.

As at the date of approval of these interim condensed 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%
In total	12,897,364	100.00%	12,897,364	100.00%

(*) *Waterland Private Equity Investments B.V. is the ultimate parent and indirectly holds 61.49% of the Company's share capital, representing the same share in total voting rights.*

14.3. Coverage of loss of the Parent for the year 2021/2022

The Ordinary General Meeting of the Company on which the resolution on the coverage of loss for the year 2021/2022 amounting to PLN 14,221 thousand, in full, from the statutory reserve fund of the Company was held on 30 September 2022.

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:

	01/04/2022-30/09/2022	01/04/2021-30/09/2021
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
Net profit/(loss) attributable to owners of the parent	14,586	25,978
Basic earnings/(loss) per share (PLN)	1.13	2.01
Diluted earnings/(loss) per share (PLN)	1.13	2.01

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.

15. Loans and other debt instruments

	30/09/2022		31/03/2022	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Credit facilities and loans	36,540	93,326	32,649	95,264
Debt securities	21,149	164,069	95,603	147,446
In total	57,689	257,395	128,252	242,710

15.1. Loans

Balance of loans as at the balance sheet date.

Instrument	Currency	Interest	Liability origination date	Maturity	Current liabilities	Non-current liabilities	Total
Loan from ING Bank Śląski S.A.	PLN	3M WIBOR + margin	23 Nov 2017	2032-12-31	12,322	31,239	43,561
Loan from ING Bank Śląski S.A.	PLN	3M WIBOR + margin	21 May 2018	2032-12-31	24,218	62,087	86,305
In total					36,540	93,326	129,866

Balance of loans at the comparative balance sheet date.

Instrument	Currency	Interest	Liability origination date	Maturity	Current liabilities	Non-current liabilities	Total
Loan from ING Bank Śląski S.A.	PLN	3M WIBOR + margin	23 Nov 2017	31 Aug 2031	12,177	36,790	48,967
Loan from ING Bank Śląski S.A.	PLN	3M WIBOR + margin	21 May 2018	31 Aug 2031	20,472	58,474	78,946
In 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.

In accordance with the agreements, the bank will make available up to a total of PLN 200,000 thousand to Kredyt Inkaso I NSFIZ and Kredyt Inkaso II NSFIZ (on 3 August 2022, the limit of available funds was raised from PLN 140,000 thousand 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. Liabilities under loans are hedged – details in Note 21.1.

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
H1	fixed; 6%	22 Oct 2021	19 Oct 2025	3,667	124	3,400	3,524
J1	3M WIBOR + 4.9%	28 Mar 2022	28 Mar 2029	50,174	11,325	38,004	49,329
K1*	6M WIBOR + 4.9%	28 Mar 2022	28 Mar 2029	103,000	8,946	92,098	101,044
I1	3M WIBOR + 4.9%	2022-04-19	2025-10-23	17,010	260	15,923	16,183
L1	3M WIBOR + 4.7%	2022-08-05	2026-07-27	15,679	494	14,644	15,138
In total				189,530	21,149	164,069	185,218

**first interest period – 6M WIBOR + 5.3%*

Calendar of events related to bonds in issue – including events after the balance sheet date.

Date	
19 April 2022	I1 series bearer bonds with a total nominal value of PLN 17,010 thousand were issued.
26 April 2022	The Group performed a total early redemption of series F1 bonds with a total nominal value of PLN 75,769 thousand.
28 June 2022	The Group made a timely partial repayment of the nominal value of series J1 bonds amounting to PLN 2,787 thousand, in line with the schedule specified in the terms and conditions of the bonds.
5 August 2022	L1 series bearer bonds with a total nominal value of PLN 15,679 thousand were issued.
16 August 2022	The Group made a total repayment of series E1 bonds amounting to PLN 6,190 thousand.
28 September 2022	The Group made a timely partial repayment of the nominal value of series J1 bonds amounting to PLN 2,787 thousand, in line with the schedule specified in the terms and conditions of the bonds.

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

Values as at the end of the comparative reporting period.

Bond Series	Interest	Liability origination date	Maturity	Nominal amount	Current	Non-current	Carrying amount
E1	6M WIBOR + 4.9%	16 Aug 2018	16 Aug 2022	6,190	6,196	-	6,196
F1	6M WIBOR + 4.9%	26 Apr 2019	26 Apr 2022	75,769	77,608	-	77,608
H1	fixed; 6%	22 Oct 2021	19 Oct 2025	3,667	75	3,420	3,495
J1	3M WIBOR + 4.9%	28 Mar 2022	28 Mar 2029	55,749	11,336	43,452	54,788
K1	6M WIBOR + 4.9%*	28 Mar 2022	28 Mar 2029	103,000	388	100,574	100,962
In total				244,375	95,603	147,446	243,049

*first interest period – 6M WIBOR + 5.3%

15.3. Cash pool

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%.

On 7 September 2022, Annex No. 4 to the agreement on liquidity management in the form of daily limits was executed, introducing KI Solver Sp. z o.o. into the structure.

Cash pool balances are presented in the table below:

	30/09/2022	31/03/2022
Kredyt Inkaso S.A.	(28,696)	(29,913)
Finsano S.A.	27,302	25,372
Kancelaria Prawnicza Forum Radca Prawny Krzysztof Piliś i Spółka sp.k.	3,697	2,918
Kredyt Inkaso IT Solutions Sp. z o.o. (formerly: Legal Process Administration Sp. z o.o.)	(3,122)	1,623
KI Solver Sp. z o.o.	819	-
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	Presentation in the statement of cash flows	Statement of Cash Flows
Exchange differences	7,260	(4,949)	1,979	-	4,290

Balance sheet change in liabilities amounts to PLN (11,269) thousand, whereas the change in liabilities presented in the consolidated statement of cash flows amounts to PLN 1,331 thousand. The difference of PLN 12,600 thousand represents liabilities arising from the acquisition of debt portfolios included in the opening balance, but settled in the reporting period. At the same time, the amount of expenses for the acquisition of debt portfolios presented in the investment activity in the consolidated statement of cash flows is PLN 12,600 thousand higher than the amount of increases in debt portfolios in Note 10 Purchased debt, due to the settlement of the said liabilities.

17. Financial risk management

In the reporting period, the Group did not identify any changes in financial risk or objectives and principles of financial risk management as compared to those described in the full-year consolidated financial statements for the financial year 2021/2022.

18. Derivative hedging instruments

As at the balance sheet date, the Group had open hedging relationships. The Group entered into transactions on derivatives to hedge against interest rate risk (IRS), under which it pays a fixed interest rate and receives 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 the WIBOR6M 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	Term	Transaction rate (fixed interest rate)	Assets	Liabilities	Item in the statement of financial position	Changes in fair value
IRS	200,000	03/07/2018 - 05/07/2022	2.41%	-	-	Derivative financial instruments	1,957
IRS	200,000	21/08/2018 - 05/07/2022	2.28%	-	-	Derivative financial instruments	1,701
IRS	200,000	14/02/2019 - 05/01/2023	1.96%	5,359	-	Derivative financial instruments	2,457
In total				5,359	-		6,115

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 expense – Interest expense on hedging instruments or Finance income – Interest income on derivative hedging instruments.

	Amount
Payments under settlement of hedging transactions recognised in the statement of cash flows	4,774
Hedging gains or losses of the reporting period that were recognised in other comprehensive income	2,977
Hedging effect recognised in the statement of profit or loss	(1,636)
In total	6,115

	Amount
Revaluation reserve at beginning of period	1,468
Effect of valuation of hedging transactions (effective portion)	2,977

	Amount
Interest transferred in the period from other comprehensive income to profit or loss	(3,605)
Income tax	119
Revaluation reserve at end of period	959

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.

	30/09/2022	31/03/2022
Loans and other debt instruments	315,084	370,962
Leasing	11,061	8,615
less: cash and cash equivalents	(57,785)	(98,223)
Net financial debt	268,360	281,354
Equity	321,895	300,587
Net financial debt / equity	0.83	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:

	01/04/2022-30/09/2022		01/04/2021-30/09/2021	
	Revenue	Costs	Revenue	Costs
Cost of advisory services				
WPEF VI HOLDING 5 B.V.	-	146	-	-
WPEF VI HOLDING V B.V.	-	-	-	136
Total	-	146	-	136

Advisory services are provided under an agreement dated 31 March 2017, executed by the Company with WPEF VI HOLDING V B.V., which on 14 December 2021 merged with WPEF VI HOLDING 5 B.V., and include advising 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 executive staff

20.3.1. Remuneration of the Management Board

The remuneration of Members of the Management Board of the Company, in the parent company and in subsidiaries.

	01/04/2022-30/09/2022	01/04/2021-30/09/2021
Remuneration	1,879	1,843
Other – medical benefits and other	178	39
In total	2,057	1,882

20.3.2. Remuneration of the Supervisory Board

	01/04/2022-30/09/2022	01/04/2021-30/09/2021
Remuneration of the Supervisory Board	213	189
Total	213	189

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.

On the basis of Resolution No. 27/2022 of the Extraordinary General Meeting dated 30 September concerning the determination of the amount of remuneration due to a member of the Supervisory Board of the Company appointed by block voting and delegation to permanently and individually perform supervisory activities, monthly gross remuneration was determined in the amount equal to half the remuneration of the Chairperson of the Supervisory Board. The determined amount of remuneration does not exclude the right of a member of the Supervisory Board to be reimbursed the costs incurred in connection with the performance of this function.

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.

On the basis of:

- (i) credit facility 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 facility 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 the transfer of receivables under commercial contracts, so that the total value of receivables constituting collateral constitutes not less than 150% of the amount of the credit limit used by each of those subsidiaries.

The credit facility agreements referred to above were jointly superseded by Supplementary Agreement No. 3 dated 31 December 2020 and subsequent Supplementary Agreements No. 4 dated 22 March 2022, No. 5 dated 15 April 2022 and No. 6 dated 3 August 2022, which specify, among other things, that Kredyt Inkaso I NSFIZ and Kredyt Inkaso II NSFIZ provided security to the Bank for the granted credit facility by way of a conditional transfer of receivables, under and in accordance with conditional agreements on the transfer of receivables under specific commercial contracts, so that the total value of receivables constituting collateral constitutes not less than 150% of the amount of the credit limit used. As at the balance sheet date, the required collateral for Kredyt Inkaso I NSFIZ was: PLN 129,525 thousand and for Kredyt Inkaso II NSFIZ – PLN 65,398 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 statement of financial position of the Company or its subsidiaries or over other assets of the Company.

The minimum amount of security over debt portfolios increased 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 balance sheet date, the minimum amount of collateral over the Company's assets had reached its maximum value, i.e. PLN 150 million. This amount represents the pledge on bonds issued by Kredyt Inkaso Portfolio Investments (Luxembourg) S. A. The established security will also secure the holders of other bond series for which the terms and conditions of issue contain clauses on the equal treatment of creditors (*pari passu*).

On 26 April 2022 (in regard to Series F1 bonds) and on 16 August 2022 (in regard to Series E1 bonds), the Company redeemed all bonds by paying their nominal value and interest. In light of the above, security for Series F1 bonds and security for Series E1 bonds described above, established on *pari passu* terms at the moment when series F1 bonds were issued, was released.

In addition, on 28 March 2022 the Company issued Series K1 bonds with a total nominal value of PLN 103 million. Pursuant to the terms of the bond issue, the bonds were issued as unsecured. On the other hand, in accordance with the terms of the bond issue, 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 on debt portfolios and investment certificates disclosed in the statement of financial position of the Company or its subsidiaries or on other assets of the Company. The total value of collateral after 26 April 2022 should not be less than 150% of the current nominal value of the bonds.

As at the balance sheet date, the minimum total collateral value amounted to PLN 154.5 million.

22. Court, enforcement, tax and other proceedings

22.1. Court and enforcement proceedings

The Group's business model involves purchasing debt portfolios resulting from the sale of universal services (usually from several thousand to even tens of thousands of claims in a portfolio) and pursuing their payment through legal process. As part of the Group's business it has a large number of court cases and enforcement proceedings conducted by bailiffs. However, due to the relatively small amounts of the debts, there is no risk of concentration (of one or more bad debts, i.e. with characteristics significantly worse than those calculated).

As at the Approval Date, there were pending proceedings instigated by the Parent against joint and several defendants: Best S.A. with its registered office in Gdynia and Mr Krzysztof Borusowski ("Defendants", "Statement of Claim"). The Company in the Statement of Claim demands:

- that PLN 60,734,500 with statutory default interest, calculated from the date of filing the claim until the date of payment, be paid by the joint and several Defendants to the Company,
- that the litigation costs, according to the prescribed norms, be awarded from the joint and several Defendants to the Company, unless a bill of costs is filed at the last hearing.

The amount claimed results from the Company's claim against the Respondents for redress of damage inflicted on the Company due to dissemination by the Respondents of untrue and defamatory information: concerning the Company's Management Board, alleged irregularities at the Company, alleged falsification of financial statements and lack of authorisation of the Company's Management Board to act on its behalf, which in the Company's opinion was the direct cause of termination by Lumen Profit 14 Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty ("Lumen Profit 14 NS FIZ"), Lumen Profit 15 Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty ("Lumen Profit 15 NS FIZ"), Lumen Profit 16 Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty ("Lumen Profit 16 NS FIZ"), AGIO Wierzytelności Plus Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty ("AWP NS FIZ") and AGIO Wierzytelności Plus 2 Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty ("AWP 2 NS FIZ") of agreements on debt portfolio management and agreements on the provision of legal services executed with the Company.

The amount of the claim is the sum of the actual losses incurred by the Company and the estimated lost profit in future years, as reported by the Company in Current Report No. 57/2016 of 10 August 2016, and additionally the estimated lost profit

resulting from, inter alia, termination of the management agreements by Lumen Profit 14 NS FIZ, Lumen Profit 15 NS FIZ, and Lumen Profit 16 NS FIZ.

The Company communicated the reasons for and the impact of the termination of the aforementioned agreements on the Company's financial position, including in particular the loss of further systematic income as well as the possibility of the Company going to court to seek damages, in the Consolidated Quarterly Report for Q1 of the 2016/2017 financial year published on 12 August 2016.

As at the Approval Date, action brought by the Parent Company against Paweł Szewczyk, Ion Melnic and KI Servcollect SRL, seeking the award jointly and severally against the Defendants of PLN 21,320,000.00 as redress for indirect damage suffered by the Company in connection with the actions of the Defendants, together with statutory default interest from 26 May 2020 until the date of payment, PLN 30,000.00 as reimbursement of costs incurred by the Company for the preparation of a private opinion of an expert business appraiser, together with statutory default interest from the date of delivery of a copy of the statement of claim to the last of the Defendants until the date of payment, and PLN 44,000.00 as reimbursement of costs of preparing sworn translations of the statement of claim and part of appendices thereto, together with statutory default interest from the date of delivery of a copy of the statement of claim to the last of the Defendants until the date of payment, is pending. Along with the action, the Company filed a request to grant injunctive relief (Current Report No. 13/2020). The Company's injunction request was dismissed by the Court and in connection with the rejection of the complaint submitted by the Company's proxy by the Court of second instance, the decision should be deemed as final.

Furthermore, there are pending court proceedings involving: Best S.A., Krzysztof Borusowski (President of the Management Board of Best S.A.), Karol Szymański (former member of the Supervisory Board), the Management Board of the Company, and the Company itself. The above proceedings result from the following, among other things:

- action of Best S.A. to revoke the resolutions of the Annual General Meeting against which it filed an objection, i.e.: (i) Resolution No. 12/2016 to approve the Management Board's report on the operations of Kredyt Inkaso S.A. and separate financial statements of Kredyt Inkaso S.A. for the financial year beginning on 1 April 2015 and ending on 31 March 2016, (ii) Resolution No. 13/2016 to approve the Management Board's report on the operations of the Group and consolidated financial statements of the Group for the financial year beginning on 1 April 2015 and ending on 31 March 2016, (iii) Resolution No. 15/2016 to grant discharge to a member of the Management Board for the financial year beginning on 1 April 2015 and ending on 31 March 2016, (iv) Resolution No. 16/2016 to grant discharge to a member of the Management Board for the financial year beginning on 1 April 2015 and ending on 31 March 2016, (v) Resolution No. 17/2016 to grant discharge to a member of the Supervisory Board for the financial year beginning on 1 April 2015 and ending on 31 March 2016, (vi) Resolution No. 18/2016 to grant discharge to a member of the Supervisory Board for the financial year beginning on 1 April 2015 and ending on 31 March 2016, (vii) Resolution No. 19/2016 to grant discharge to a member of the Supervisory Board for the financial year beginning on 1 April 2015 and ending on 31 March 2016, (viii) Resolution No. 20/2016 to grant discharge to a member of the Supervisory Board for the financial year beginning on 1 April 2015 and ending on 31 March 2016, (ix) Resolution No. 21/2016 to grant discharge to a member of the Supervisory Board for the financial year beginning on 1 April 2015 and ending on 31 March 2016, (x) Resolution No. 22/2016 to grant discharge to a member of the Supervisory Board for the financial year beginning on 1 April 2015 and ending on 31 March 2016 (Current Report No. 93/2016), (xi) Resolution No. 7/2017 to grant discharge to a member of the Management Board, (xii) Resolution No. 8/2017 to grant discharge to a member of the Management Board, (xiii) Resolution No. 9/2017 to grant discharge to a member of the Management Board, (xiv) Resolution No. 14/2017 to grant discharge to a member of the Supervisory Board for the financial year beginning on 1 April 2016 and ending on 31 March 2017, (xv) Resolution No. 15/2017 to grant discharge to a member of the Supervisory Board for the financial year beginning on 1 April 2016 and ending on 31 March 2017 (Current Report No. 65/2017); On 14 May 2021, the Regional Court in Warsaw, 20th Commercial Department, issued a decision to discontinue the proceedings with respect to Resolutions No. 15/2016 and 7/2017 due to the irrelevance of further proceedings with respect to these resolutions, given that the Company's Annual General Meeting adopted Resolution No. 17/2020 of 27 November 2020 to amend the resolutions on granting discharge to the former Management Board Member referred to above, under which the discharge granted to him for the periods indicated above were revoked;
- action by a former member of the Company's Supervisory Board – Mr Karol Szymański, to revoke the resolution of the Annual General Meeting of the Company of 27 September 2017, i.e. Resolution No. 10/2017 to grant discharge to a member of the Supervisory Board for the financial year beginning on 01 April 2016 and ending on 31 March 2017 (Current Report No. 9/2018); On 14 October 2021, the Regional Court dismissed the action of a member of the Supervisory Board, however the ruling is not final (Current Report No. 50/2021);
- action of Best S.A. to revoke the resolutions of the Ordinary General Meeting against which it filed an objection, i.e.: (i) Resolution No. 4/2018 to approve the separate financial statements of Kredyt Inkaso S.A. for the financial year beginning on 1 April 2017 and ending on 31 March 2018, (ii) Resolution No. 5/2018 to approve the consolidated financial statements of the Group for the financial year beginning on 1 April 2017 and ending on 31 March 2018, (iii) Resolution No. 6/2018 to approve the Management Board's report on the operations of the Company and the Group for the financial year beginning on 1 April 2017 and ending on 31 March 2018 (Current Report No. 56/2018);

- action by Best S.A. of 09 January 2019 for the payment of PLN 51,847,764 jointly and severally by the Company, Paweł Szewczyk, Jan Paweł Lisicki and Grant Thornton Frąckowiak spółka z ograniczoną odpowiedzialnością sp. k., whereby in relation to Grant Thornton Frąckowiak spółka z ograniczoną odpowiedzialnością sp. k. the claimant limits the demand to PLN 2,260,000 and the litigation costs, including the costs of legal representation according to the prescribed norms. This action arises from the alleged damage caused to BEST S.A. by the defendants as a result of the purchase of shares in the Company at an inflated price determined on the basis of the Company's financial statements for the 2014/2015 financial year, which were corrected in subsequent fiscal years. Kredyt Inkaso S.A. recognises the claim of BEST S.A. as unfounded, as informed in Current Report No. 8/2019;
- action by Best S.A. of 28 June 2019 to declare invalid or revoke Resolution No. 4/2019 of the Extraordinary General Meeting of Kredyt Inkaso S.A. of 30 May 2019 to approve transactions encumbering the Company's assets or the assets of other entities of the Company's Group in connection with the issue of Series F1 bonds by the Company. The Company deems the request stipulated in the statement of claim as unfounded and intends to defend against it in court proceedings (Current Report No. 34/2019);
- action by John Harvey van Kannel against the Company to establish (i) the existence of a resolution on removal of Maciej Jerzy Szymański from the Management Board of the Company, and (ii) declare the invalidity of Resolution No. 38/2020 of the Annual General Meeting of the Company of 27 November 2020 on the appointment of Daniel Dąbrowski as member of the Supervisory Board of the Company for a new term of office. The injunction request in this case was dismissed in its entirety with a final decision, which was communicated by the Company in its Current Report No. 11/2021 of 29 April 2021. The Company deems the requests stipulated in the statement of claim as completely unfounded and intends to defend against them by actively participating in court proceedings (Current Report No. 26/2021);
- action by John Harvey van Kannel against the Company to declare the invalidity of Resolution No. 12/2021 of the Extraordinary General Meeting of the Company of 24 May 2021 on the appointment of Daniel Dąbrowski as member of the Supervisory Board of the Company, of which the Company informed in the Current Report No. 31/2021 of 23 August 2021. On 8 August 2022, the District Court in Warsaw, 16th Commercial Department, dismissed the action of the Company's shareholder in its entirety, however the ruling is not final (Current Report No. 44/2022);
- action by two members of the Supervisory Board to revoke the resolution of the group of shareholders entitled to appoint members of the Supervisory Board by block voting No. 13/2021 of the Company's Extraordinary General Meeting of 24 May 2021 on the appointment of Karol Szymański as Member of the Company's Supervisory Board for a new term of office and his delegation to individually perform supervisory duties on a permanent basis. The Company intends to actively participate in the court proceedings (Current Report No. 53/2021);
- action by two members of the Supervisory Board to revoke the resolution of the group of shareholders entitled to appoint members of the Supervisory Board by block voting No. 6/2022 of the Company's Extraordinary General Meeting of 25 April 2022 on the appointment of Karol Szymański as Member of the Company's Supervisory Board for a new term of office and his delegation to individually perform supervisory duties on a permanent basis. Decision of 6 July 2022. The court secured the claimants' claim for annulment of the aforementioned resolution by suspending its effectiveness until the final conclusion of the proceedings. The Company intends to actively participate in the court proceedings (Current Report No. 36/2022);
- motion of Best S.A. to appoint Rödl Kancelaria Prawna sp. k. and Roedl Audit sp. z o.o. jointly as a special auditor. The Company and its Supervisory Board finds the aforementioned motion unfounded and intends to actively participate in the court proceedings (Current Report No. 40/2022 and No. 66/2022).

22.2. Tax proceedings

On 30 September 2013, Kredyt Inkaso S.A. concluded a Sub-Participation Agreement with Kredyt Inkaso Portfolio Investments (Luxembourg) S.A. (hereinafter: "Agreement" and "Sub-Participant", respectively). The tax consequences of entering into the Agreement covered the tax years from 1 April 2013 to 31 March 2014, from 1 April 2014 to 31 March 2015 and from 1 April 2015 to 31 March 2016. The subject matter of the Agreement was the acquisition by the Sub-Participant of the exclusive right to cash flows from the receivables understood as proceeds from repayments of debt and charges for costs and expenses. Pursuant to the Agreement, Kredyt Inkaso S.A. transferred to the Sub-Participant the exclusive right to cash flows from receivables comprising the debt portfolio specified in the appendix to the Agreement (hereinafter: "Debt Portfolio"). In return for the transfer of the right to cash flows from the receivables, the Sub-Participant undertook to pay a price to Kredyt Inkaso S.A. The price was settled by the Sub-Participant on 13 June 2014.

On 12 April 2016, Kredyt Inkaso S.A. applied for a tax ruling in that matter. In the tax ruling of the Director of the Tax Chamber in Warsaw of 21 July 2016, ref. IPPB3/4510-418/16-3/JBB ("Tax Ruling"), issued in response to the request submitted by Kredyt Inkaso S.A., it was indicated that: "Thus, Kredyt Inkaso S.A. should recognise tax income on account of the price on a cash basis, i.e. on the date of receipt of the payment – in the case in question, on the date of payment of the Price by deducting it from Kredyt Inkaso S.A.'s liability on account of the acquisition price for bonds issued by the Sub-Participant. (...) On the other hand, by transferring to the Sub-Participant, in accordance with the provisions of the sub-participation agreement, amounts constituting proceeds from debt portfolios, Kredyt Inkaso S.A. will be entitled to treat the transferred amounts as tax deductible expenses and recognise them in the tax account as they are incurred", - "the position of Kredyt Inkaso S.A. assuming

no income recognised on account of debt repayment (previously purchased from the original debtor) is incorrect (...). One cannot agree with Kredyt Inkaso S.A.'s claim that exclusion of the receivables in question from the balance sheet may determine tax qualification of a given capital gain", - "The discussed expenses, i.e. the purchase price and Direct Collection Expenses which were incurred by the Company until the conclusion of the sub-participation agreement are directly related to debt (their purchase and collection) being the subject of the sub-participation agreement and not to the event of transferring the rights to cash flows from receivables to the Sub-Participant. (...) Thus, these expenses will be deductible expenses of a direct nature when the debtors make repayments of those debts or when those debts are sold."

After delivery of the Tax Ruling, Kredyt Inkaso S.A. decided to comply with it, which resulted in the need to file corrections of CIT-8 tax returns for the tax years: from 1 April 2013 to 31 March 2014, from 1 April 2014 to 31 March 2015 and from 1 April 2015 to 31 March 2016, and payment of the corporate income tax together with interest. At the same time, in its letter of 17 October 2016 the Company filed a complaint against the tax ruling to the Provincial Administrative Court in Warsaw ("Provincial Administrative Court"). In its decision of 22 November 2017 the Provincial Administrative Court revoked the ruling (ref. III SA/Wa 3503/16, "Provincial Administrative Court's Decision"). The tax authority filed a cassation appeal within the specified time limit and the case was referred to the Supreme Administrative Court. By its decision of 8 October 2020 (ref. II FSK 1615/18) the Supreme Administrative Court dismissed the Provincial Administrative Court's Decision and remanded the case back to the Provincial Administrative Court. In its decision of 27 April 2021 the Provincial Administrative Court revoked the ruling (ref. III SA/Wa 597/21, "Provincial Administrative Court's Second Decision"). On 22 June 2021, Kredyt Inkaso S.A. received written statement of reasons for the Provincial Administrative Court's Second Decision. Its contents confirms that the position presented by the Company in its request to issue the Tax Ruling was correct. Notwithstanding the above, the Company upholds the allegations that the procedure was breach in the course of issuing the Tax Ruling, described in detail in the complaint dated 17 October 2016. In light of the above, on 22 July 2021 the Company lodged a cassation complaint with the Supreme Administrative Court against the Second Decision of the Provincial Administrative Court. In addition, on 11 August 2021, the Company received a copy of the tax authority's cassation appeal to the Supreme Administrative Court against the Second Decision of the Provincial Administrative Court. In its decision of 10 October 2021 (ref. II FSK 1143/21), the Supreme Administrative Court dismissed the Second Decision of the Provincial Administrative Court and remanded the case back to the Provincial Administrative Court. In its decision of 27 April 2022, the Provincial Administrative Court dismissed the complaint of Kredyt Inkaso S.A. (ref. III SA/Wa 485/22, "Third Decision of the Provincial Administrative Court"). On 09 June 2022, Kredyt Inkaso S.A. received a written statement of reasons for the Third Decision of the Provincial Administrative Court. Its contents confirm that the Tax Authority, when issuing the Tax Ruling, breached the principle of issuing a tax ruling solely on the grounds and within the bounds of the request for its issuance. However, in the assessment of Provincial Administrative Court, this breach did not affect the outcome of the case. Referring to the core dispute in the case (i.e. the date of recognition of tax income on the price of the sub-participation agreement in question), the Provincial Administrative Court highlighted that the Supreme Administrative Court, by setting aside the Provincial Administrative Court's Second Decision, did not make any final resolution on the matter, leaving it to the judgement of the Provincial Administrative Court. In dismissing the complaint, the Provincial Administrative Court also indicated that it did not share the position of the Supreme Administrative Court in a similar case (ref. II FSK 3299/17), which essentially confirmed the position of Kredyt Inkaso S.A. Therefore, in the opinion of the Provincial Administrative Court this ruling by the Supreme Administrative Court did not apply in the case in question. After analysing the Third Decision of the Provincial Administrative Court, Kredyt Inkaso S.A. lodged a cassation compliant with the Supreme Administrative Court on 11 July 2022. In the complaint, the Company raised allegations that rules of substantive law have been breached, based in particular on the substantive position of the Supreme Administrative Court in a similar case (file ref. No. II FSK 3299/17), and allegations that the rules of procedure have been breached, including the need to comply with the principle of issuing a tax ruling solely on the grounds and within the bounds of the request for its issuance. In addition, on 10 August 2022, the Company received a response of the Tax Authority to the lodged cassation complaint, which includes a motion to dismiss the cassation complaint of the Company.

The Company's cassation appeal was dismissed by the Supreme Administrative Court by means of a decision of 8 November 2022. This resolution of the Supreme Administrative Court means that the dispute concerning the validity of the position presented by the Director of the Tax Chamber in Warsaw, included in the Tax Ruling challenged by the Kredyt Inkaso S.A., was concluded. It is necessary to point out that after the Tax Ruling has been delivered, Kredyt Inkaso S.A. decided to comply with the Tax Ruling, which resulted in the need to file adjusted CIT-8 tax returns in 2016 for the tax years: from 1 April 2013 to 31 March 2014, from 1 April 2014 to 31 March 2015 and from 1 April 2015 to 31 March 2016, and payment of the corporate income tax with interest. In light of the above, the aforementioned decision of the Supreme Administrative Court did not result in the need for Kredyt Inkaso S.A. to file adjusted corporate income tax settlements and corporate income tax settlements of the Company are consistent with the position of the Director of the Tax Chamber in Warsaw included in the Tax Ruling.

22.3. Audit procedures

In the reporting period, there were no significant audits or inspections, including those concerning the audit completed by the Polish Financial Supervision Authority on 30 September 2019 with regard to management of securitised debt.

23. Material events after the reporting period

At the meeting held on 11 October 2022, the Supervisory Board of the Company selected persons performing functions in the Supervisory Board. The Supervisory Board of the Company was established as follows: Mr Bogdan Dzudzewicz was appointed as the Chairman of the Supervisory Board, Mr Marcin Okoński was appointed as the Vice-Chairman, and Mr Karol Sowa was appointed as the Secretary. Moreover, the Supervisory Board of the Company appointed the Audit Committee of the Company ("Committee"), comprised of 3 persons: Mr Raimondo Eggink (Chairman of the Committee), Mr Daniel Dąbrowski and Mr Marcin Okoński.

On 25 October 2022, the Supervisory Board of the Company appointed Mr Mateusz Boguta to the Management Board for the joint three-year term covering the years 2022 to 2025.

On 24 November 2022, the Supervisory Board made changes to the functions performed by Members of the Management Board of the Company: Ms Barbara Rudziks, acting thus far as Vice President of the Management Board of the Company, was appointed as the President of the Management Board of the Company, whereas Maciej Szymański, acting thus far as President of the Management Board of the Company, has been appointed as Vice President of the Management Board of the Company.

On 5 December 2022, a court clerk at the District Court for the Capital City of Warsaw in Warsaw (13th Commercial Department of the National Court Register), at the request of the shareholder of the Company – Best S.A. with its registered office in Gdynia, issued a decision on the joint appointment of: Rödl Kancelaria Prawna sp. k. with its registered office in Warsaw (National Court Register No.: 267170) to the extent of legal and tax issues and Roedl Audit sp. z o.o. with its registered office in Warsaw (National Court Register No.: 50605) to the extent of accounting and financial issues, as the special auditor for the purpose of examining the matter described in § 2 of draft resolution No. 4/2022 of 25 April 2022 on the appointment of the special auditor, included in the minutes from the Extraordinary General Meeting of Shareholders of the Company dated 25 April 2022 prepared by notary public Sławomir Strojny (Rep. A No. 5729/2022).

Pursuant to the decision:

- The Management Board and the Supervisory Board of the Company are under an obligation to present and make available to the special auditor documents, explanations and information necessary to conduct the audit, specified in § 3 of Draft Resolution No. 4/2022, within 14 days from the date on which the Decision becomes final,
- the auditor is under an obligation to initiate the audit within 14 days from the date on which the Decision becomes final,
- the auditor is under an obligation to present a written report on the results of the audit to the Management Board and the Supervisory Board within the time limit specified in § 4 of Draft Resolution No. 4/2022.

As indicated in the Current Report No. 40/2022, in the assessment of the Company the request to appoint a special auditor in the Company was unfounded and constituted an abuse of the law by the minority shareholder. Thus, the decision approving the shareholder's request is flawed and incorrect.

In the opinion of the Company, the decision is not final and it is not immediately enforceable, which means that the audit cannot commence until the decision becomes final, if it ever becomes final. The Company intends to lodge a complaint against the ruling of a court clerk indicating its defectiveness and presenting a detailed position on the case. In the opinion of the Company, lodging a complaint against the ruling of the court clerk will result in that decision becoming invalid and the case will be remanded to the District Court for the Capital City of Warsaw in Warsaw (13th Commercial Department of the National Court Register) as the court of first instance.

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

On 24 February 2022, the armed forces of the Russian Federation invaded Ukraine and initiated acts of war in that region. In the reporting period, the war did not have any further relevant, negative effects beyond those included in the consolidated and separate full-year financial statements. All forecasts are subject to high uncertainty due to the unprecedented nature of the war of this scale in the recent history of Poland's surrounding areas and the high pace of events.

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

On 30 September 2022, the Ordinary General Meeting of Kredyt Inkaso S.A. passed Resolution No. 20/2022 on filing a request to the Management Board of the Company to commence the review of strategic options concerning the Company's future, reading as follows:

The Ordinary General Meetings adopts the following resolution:

§1

The Ordinary General Meeting of Kredyt Inkaso S.A. decides to request the Management Board of Kredyt Inkaso S.A. and authorises the Management Board to commence the review of all strategic options concerning the Company's future in order to resolve the situation in the Company's shareholder structure, including in particular to enable a shareholder or shareholders to dispose of the Company's shares.

This authorisation covers the authorisation of the Management Board of the Company to undertake all formal and legal activities aimed at preparing and conducting the process of reviewing strategic options within the time limit and in accordance with the principles defined by the Management Board of the Company.

§2

The resolution enters into force as of the date of its adoption.

The above resolution was adopted unanimously.

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- 30/09/2022	01/07/2022- 30/09/2022	01/04/2021- 30/09/2021	01/07/2021- 30/09/2021
Net revenue				
Interest income on debt portfolios calculated using the effective interest method	6,145	3,017	6,778	3,299
Revaluation of portfolios	7,329	1,816	9,243	6,924
Other revenue / costs	26,649	11,758	20,505	10,624
Total net revenues	40,123	16,591	36,526	20,847
Employee benefits expense	(15,994)	(8,039)	(14,424)	(7,663)
Depreciation and amortisation	(1,642)	(801)	(1,614)	(819)
External services	(17,806)	(8,388)	(18,062)	(9,369)
Other operating expenses	(3,325)	(1,625)	(3,607)	(1,908)
Total operating expenses	(38,767)	(18,853)	(37,707)	(19,759)
Profit (loss) on operating activities	1,356	(2,262)	(1,181)	1,088
Finance income, including:	16,908	10,365	11,562	6,235
interest on instruments measured at amortised cost	12,066	7,337	7,666	3,707
Finance expense, including:	(18,255)	(11,106)	(16,803)	(7,855)
interest on instruments measured at amortised cost	(13,068)	(6,920)	(9,373)	(4,636)
Profit (loss) before tax	9	(3,003)	(6,422)	(532)
Income tax	1,061	641	(2,872)	(3,511)
Net profit (loss)	1,070	(2,362)	(9,294)	(4,043)
Earnings/(loss) per share (PLN)				
basic	0.08	(0.18)	(0.72)	(0.31)
diluted	0.08	(0.18)	(0.72)	(0.31)

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	01/04/2022- 30/09/2022	01/07/2022- 30/09/2022	01/04/2021- 30/09/2021	01/07/2021- 30/09/2021
Net profit (loss)	1,070	(2,362)	(9,294)	(4,043)
Gains/(losses) recognised in the period in other comprehensive income	3,089	2,610	(2,526)	(883)
Amounts transferred to profit or loss	(3,605)	(2,631)	5,924	2,978
Income tax	98	4	(646)	(1,045)
Cash flow hedges that may be reclassified subsequently to profit or loss	(418)	(17)	2,752	1,050
TOTAL COMPREHENSIVE INCOME	652	(2,379)	(6,542)	(2,993)

SEPARATE STATEMENT OF FINANCIAL POSITION

Assets	30/09/2022	31/03/2022
Intangible assets	2,892	3,321
Property, plant and equipment (PP&E)	7,282	4,843
Investment property	1,440	1,440
Investments in subsidiaries	71,411	71,411
Receivables and loans	1,511	395
Derivative financial instruments	-	2,902
Other non-current financial assets	31,300	205,078
Property, plant and equipment	115,836	289,390
Trade and other receivables	5,241	6,148
Derivative financial instruments	5,359	-
Purchased debt	53,914	58,765
Loans	774	4,725
Other current financial assets	180,513	50,667
Current accruals and deferred income	538	458
Cash and cash equivalents	12,495	25,274
Current assets	258,834	146,037
Total assets	374,670	435,427

Liabilities	30/09/2022	31/03/2022
Share capital	12,897	12,897
Supplementary capital	63,042	77,263
Revaluation reserve	-	418
Retained earnings, including	(3,224)	(18,515)
net profit/(loss) for the current period	1,070	(14,221)
profit/(loss) brought forward	(4,294)	(4,294)
Equity	72,715	72,063
Loans and other debt instruments	210,055	186,733
Lease liabilities	5,985	3,544
Deferred tax liabilities	6,058	7,217
Long-term liabilities	222,098	197,494
Trade and other payables	6,974	8,417
Loans and other debt instruments	63,373	143,626
Lease liabilities	1,543	1,385
Derivative financial instruments	-	3,659
Other short-term provisions	2,679	5,895
Current accruals and deferred income	5,288	2,888
Short-term liabilities	79,857	165,870
Total liabilities	301,955	363,364
Total liabilities	374,670	435,427

SEPARATE STATEMENT OF CASH FLOWS

	01/04/2022-30/09/2022	01/04/2021-30/09/2021
Profit (loss) before tax	9	(6,422)
Adjustments:		
Depreciation of and impairment loss on property, plant and equipment	1,053	1,106
Amortisation and impairment of intangible assets	589	508
Purchased debt – difference between recoveries and interest income	12,180	8,999
Purchased debt – revaluation	(7,329)	(9,243)
Financial costs	18,255	16,803
Finance income	(16,908)	(11,562)
Other adjustments	(1,426)	(6)
Total adjustments	6,414	6,605
Change in balance of receivables	626	5,403
Change in liabilities	(1,518)	(4,941)
Change in provisions, accruals and prepaid expenses	(2,654)	92
Cash generated by operations	2,877	737
Income taxes paid	-	-
Net cash (used in)/from operating activities	2,877	737
Purchase of intangible assets	(159)	(1,468)
Purchase of property, plant and equipment	-	(10)
Proceeds from the sale of tangible assets	112	-
Repayments of loans advanced	2,728	3,268
Proceeds on disposal of other financial assets/bond repayment	47,858	38,741
Interest received	8,246	8,869
Net cash from investing activities	58,785	49,400
Proceeds on issue of debt securities	42,689	-
Redemption of debt securities	(95,834)	(42,574)
Payments under settlement of hedging transactions	(4,776)	(12,517)
Cash flows under the concluded cashpool agreement	(1,217)	9,833
Repayment of lease liabilities	(1,338)	(1,440)
Interest paid	(13,965)	(10,347)
Net cash from financing activities	(74,441)	(57,045)
Net change in cash and cash equivalents	(12,779)	(6,908)
Cash and cash equivalents at the beginning of the period	25,274	13,125
Effect of foreign exchange rate changes	-	-
Cash and cash equivalents at the end of the period	12,495	6,217

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserves	Revaluation reserve	Retained earnings	Total equity
As at 1 April 2022	12,897	77,263	418	(18,515)	72,063
Net profit/(loss)	-	-	-	1,070	1,070
Cash flow hedges	-	-	(418)	-	(418)
Total comprehensive income	-	-	(418)	1,070	652
Allocation of profit	-	(14,221)	-	14,221	-
As at 30 September 2022	12,897	63,042	-	(3,224)	72,715

	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)	-	-	-	(9,294)	(9,294)
Cash flow hedges	-	-	2,752	-	2,752
Total comprehensive income	-	-	2,752	(9,294)	(6,542)
Allocation of profit	-	(15,257)	-	15,257	-
As at 30 September 2021	12,897	77,263	(2,487)	(13,588)	74,085

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Net revenue

1.1. Revaluation of portfolios receivables

Revaluation of portfolios	01/04/2022-30/09/2022	01/07/2022-30/09/2022	01/04/2021-30/09/2021	01/07/2021-30/09/2021
Revision of projection	1,688	(15)	5,671	5,669
Deviations of actual payments from projected payments	5,585	1,802	3,499	1,219
Extension of projected recoveries	56	29	73	36
In total	7,329	1,816	9,243	6,924

1.2. Other revenue / costs

Other revenue / costs	01/04/2022-30/09/2022	01/07/2022-30/09/2022	01/04/2021-30/09/2021	01/07/2021-30/09/2021
Revenue from debt management	25,985	11,476	19,429	10,213
Cost of provision for overpayments	7	(3)	(71)	18
Other revenue	657	285	1,147	393
In total	26,649	11,758	20,505	10,624

2. Costs

Costs by type	01/04/2022-30/09/2022	01/07/2022-30/09/2022	01/04/2021-30/09/2021	01/07/2021-30/09/2021
Remunerations, social insurance contributions and other benefits	15,994	8,039	14,424	7,663
External services	17,806	8,388	18,062	9,369
Court and enforcement fees	2,077	1,007	2,584	1,352
Depreciation and amortisation	1,642	801	1,614	819
Taxes and charges	129	72	124	61
Consumption of materials and energy	542	231	356	183
Other costs by type	577	315	543	312
In total	38,767	18,853	37,707	19,759

3. Finance income and expense

Finance income	01/04/2022- 30/09/2022	01/07/2022- 30/09/2022	01/04/2021- 30/09/2021	01/07/2021- 30/09/2021
Interest income on financial assets measured at amortised cost	12,066	7,337	7,666	3,707
Interest income on derivative hedging instruments	3,605	2,631	-	-
Ineffective portion of financial risk hedge	763	-	3,769	2,402
Foreign exchange gains	75	57	-	-
Other interest	399	340	127	126
Other finance income	-	-	-	-
In total	16,908	10,365	11,562	6,235

Finance expense	01/04/2022- 30/09/2022	01/07/2022- 30/09/2022	01/04/2021- 30/09/2021	01/07/2021- 30/09/2021
Interest expense for financial liabilities	13,068	6,920	9,373	4,636
Other interest, including on lease liabilities	2,010	1,062	885	428
Interest expense on derivative hedging instruments	-	-	5,924	2,978
Ineffective portion of financial risk hedge	2,511	2,511	-	-
Other finance expenses	107	54	430	151
Impairment loss on loans advanced	559	559	-	-
Foreign exchange losses	-	-	191	(338)
In total	18,255	11,106	16,803	7,855

4. Income tax

	01/04/2022- 30/09/2022	01/07/2022- 30/09/2022	01/04/2021- 30/09/2021	01/07/2021- 30/09/2021
Current year	-	-	-	-
Brought forward	-	-	-	-
Current income tax	-	-	-	-
Current year	1,061	641	(2,872)	(3,511)
Deferred income tax	1,061	641	(2,872)	(3,511)
Total income tax expense recognised in the current year relating to continuing operations	1,061	641	(2,872)	(3,511)

	01/04/2022- 30/09/2022	01/04/2021- 30/09/2021	01/04/2021- 30/09/2021	01/04/2021- 30/09/2021
Profit (loss) before tax	9	(3,003)	(6,422)	(532)

	01/04/2022- 30/09/2022	01/04/2021- 30/09/2021	01/04/2021- 30/09/2021	01/04/2021- 30/09/2021
Income tax at 19%	(2)	571	1,220	101
Non-taxable income	-	-	5	4
Asset write-off/recognition of tax credits	1,093	34	(1,987)	(1,520)
Non-tax-deductible expenses	(30)	36	(2,110)	(2,096)
Income tax expense recognised in profit or loss from continuing operations	1,061	641	(2,872)	(3,511)

5. Investments in subsidiaries

Name of subsidiary	Registered office	Ownership interest	Cost	Accumulated impairment	Carrying amount
Kredyt Inkaso I NSFIZ	Warsaw, Poland	0.55%	124	-	124
FINSANO Spółka Akcyjna	Warsaw, Poland	100.00%	25,444	-	25,444
Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme	Luxembourg	100.00%	42,400	-	42,400
Kredyt Inkaso d.o.o.	Croatia, Zagreb	100.00%	577	577	-
Kredyt Inkaso Investments RO S.A.	Bucharest, Romania	75.00%	3,242	3,242	-
Kredyt Inkaso Investments BG EAD S.A.	Sofia, Bulgaria	100.00%	3,443	-	3,443
In total			75,230	3,819	71,411

Apart from the Company's direct investment, investment certificates of Kredyt Inkaso I NSFIZ are also held by Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme, at the cost of PLN 180,969 thousand. Apart from the Company's direct investment, shares in Kredyt Inkaso Investments RO are also held by Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme, at the cost of PLN 333 thousand.

Investments in subsidiaries as at the previous balance sheet date

Name of subsidiary	Registered office	Ownership interest	Cost	Accumulated impairment	Carrying amount
Kredyt Inkaso I NSFIZ	Warsaw, Poland	0.55%	124	-	124
FINSANO Spółka Akcyjna	Warsaw, Poland	100.00%	25,444	-	25,444
Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme	Luxembourg	100.00%	42,400	-	42,400
Kredyt Inkaso d.o.o.	Croatia, Zagreb	100.00%	577	577	-
Kredyt Inkaso Investments RO S.A.	Bucharest, Romania	75.00%	3,242	3,242	-
Kredyt Inkaso Investments BG EAD S.A.	Sofia, Bulgaria	100.00%	3,443	-	3,443
In total			75,230	3,819	71,411

6. Other financial assets

	30/09/2022		31/03/2022	
	Current assets	Non-current assets	Current assets	Non-current assets
Debt instruments	180,278	31,300	50,432	205,078
Financial assets measured at fair value through profit or loss	235	-	235	-
In total	180,513	31,300	50,667	205,078

Funds from the redemption of purchased bonds were received in the current reporting period. At the same time, a portion of the bonds that were recognised in non-current assets in the opening balance was recognised in the current assets.

7. Purchased debt

Types of debt portfolios	30/09/2022	31/03/2022
Retail	26,888	27,970
Telecommunication	24,319	27,707
Consumer loans	2,707	3,088
In total	53,914	58,765

Movements in debt portfolios	01/04/2022-30/09/2022	01/04/2021-30/09/2021
Opening balance	58,765	65,646
Purchase of debt portfolios	-	-
Sale of debt portfolios	-	-
Revaluation	7,329	9,243
Recoveries from indebted persons	(18,325)	(15,777)
Interest income on debt portfolios	6,145	6,778
Closing balance	53,914	65,890

8. Financial assets measured at amortised cost

Debt securities as at the balance sheet date (bonds).

Series	Interest	Issue date	Maturity	Nominal value	Non-current	Current
Series U	floating; paid semi-annually	13 Jun 2014	13 Jun 2023	71,000	-	74,036
Series H01	floating; paid semi-annually	26 May 2017	26 May 2023	100,000	-	104,949
Series J01	floating; paid semi-annually	14 Jun 2019	14 Jun 2024	31,300	31,300	1,293
In total				202,300	31,300	180,278

Debt securities as at the previous balance sheet date

Series	Interest	Issue date	Maturity	Nominal value	Non-current	Current
Series U	floating; paid semi-annually	13 Jun 2014	13 Jun 2023	71,000	71,000	1,560
Series F01	floating; paid semi-annually	16 Dec 2016	16 Dec 2022	26,000	-	26,557
Series G01	floating; paid semi-annually	20 Apr 2017	20 Apr 2023	1,500	1,500	38
Series H01	floating; paid semi-annually	26 May 2017	26 May 2023	100,000	100,000	2,477
Series I01	floating; paid semi-annually	20 Dec 2017	20 Dec 2022	19,400	-	19,800
Series J01	floating; paid semi-annually	14 Jun 2019	14 Jun 2024	31,300	32,578	-
In total				249,200	205,078	50,432

9. Loans and other debt instruments

	30/09/2022		31/03/2022	
	Current liabilities	Non-current liabilities	Current liabilities	Non-current liabilities
Debt securities	34,669	210,055	113,702	186,733
Intragroup cashpool	28,696	-	29,913	-
Other	8	-	11	-
In total	63,373	210,055	143,626	186,733

9.1. Bonds issued

Balance at end of current reporting period.

Bond Series	Interest	Liability origination date	Maturity	Nominal amount	Current	Non-current	Carrying amount
H1	fixed 6%	22 Oct 2021	19 Oct 2025	3,667	124	3,400	3,524
K1*	6M WIBOR + 4.9%	28 Mar 2022	28 Mar 2029	103,000	8,946	92,098	101,044
J1	3M WIBOR + 4.9%	28 Mar 2022	28 Mar 2029	50,174	11,325	38,004	49,329
I1	3M WIBOR + 4.9%	2022-04-19	2025-10-23	17,010	260	15,923	16,183
L1	3M WIBOR + 4.7%	2022-08-05	2026-07-27	15,679	494	14,644	15,138
AA	6M WIBOR + 4.9%	25 Sep 2017	31.12.2022	3,200	3,809	-	3,809
AD	6M WIBOR + 4.9%	22 Oct 2018	22 Oct 2023	5,000	237	5,000	5,237
AF	6M WIBOR + 4.9%	25 Mar 2019	25 Mar 2023	7,800	7,813	-	7,813
AI	6M WIBOR + 4.9%	24 Jun 2019	2024-06-24	700	23	700	723
AJ	12M WIBOR + 4.9%	29 May 2020	29 May 2025	30,286	1,162	30,286	31,448
AK	6M WIBOR + 4.9%	2022-04-20	2025-04-20	10,000	476	10,000	10,476
In total				246,516	34,669	210,055	244,724

**first interest period – 6M WIBOR + 5.3%*

Values as at the end of the comparative reporting period.

Bond Series	Interest	Liability origination date	Maturity	Nominal amount	Current	Non-current	Carrying amount
E1	6M WIBOR + 4.9%	16 Aug 2018	16 Aug 2022	6,190	6,196	-	6,196
F1	6M WIBOR + 4.9%	26 Apr 2019	26 Apr 2023	75,769	77,608	-	77,608
H1	Fixed 6%	22 Oct 2021	19 Oct 2025	3,667	75	3,420	3,495
J1	3M WIBOR + 4.9%	28 Mar 2022	28 Mar 2029	55,749	11,337	43,453	54,790
K1*	6M WIBOR + 4.9%	28 Mar 2022	28 Mar 2029	103,000	388	100,574	100,962
AA	6M WIBOR + 4.9%	25 Sep 2017	31 Dec 2022	3,200	3,648	-	3,648
AD	6M WIBOR + 4.9%	22 Oct 2018	22 Oct 2023	9,000	228	9,000	9,228
AF	6M WIBOR + 4.9%	25 Mar 2019	25 Mar 2023	7,800	7,812	-	7,812
AH	6M WIBOR + 4.9%	14 Jun 2019	14 Jun 2022	3,500	3,576	-	3,576
AI	6M WIBOR + 4.9%	24 Jun 2019	24 Jun 2022	1,500	1,529	-	1,529
AJ	12M WIBOR + 4.9%	29 May 2020	29 May 2025	30,286	1,305	30,286	31,591
In total				299,661	113,702	186,733	300,435

**first interest period – 6M WIBOR + 5.3%*

9.2. Cash pool

Cash pool balances are presented in the table below:

	30/09/2022	31/03/2022
Kredyt Inkaso S.A.	(28,696)	(29,913)
Finsano S.A.	27,302	25,372
Kancelaria Prawnicza Forum Radca Prawny Krzysztof Piliś i Spółka sp.k.	3,697	2,918
Kredyt Inkaso IT Solutions Sp. z o.o. (previously: Legal Process Administration Sp. z o.o.)	(3,122)	1,623
KI Solver Sp. z o.o.	819	-
Total	-	-

10. Material events after the reporting period

At the meeting held on 11 October 2022, the Supervisory Board of the Company selected persons performing functions in the Supervisory Board. The Supervisory Board of the Company was established as follows: Mr Bogdan Dzudzewicz was appointed as the Chairman of the Supervisory Board, Mr Marcin Okoński was appointed as the Vice-Chairman, and Mr Karol Sowa was appointed as the Secretary. Moreover, the Supervisory Board of the Company appointed the Audit Committee of the Company ("Committee"), comprised of 3 persons: Mr Raimondo Eggink (Chairman of the Committee), Mr Daniel Dąbrowski and Mr Marcin Okoński.

On 25 October 2022, the Supervisory Board of the Company appointed Mr Mateusz Boguta to the Management Board for the joint three-year term covering the years 2022 to 2025.

On 24 November 2022, the Supervisory Board made changes to the functions performed by Members of the Management Board of the Company: Ms Barbara Rudziks, acting thus far as Vice President of the Management Board of the Company, was appointed as the President of the Management Board of the Company, whereas Maciej Szymański, acting thus far as President of the Management Board of the Company, has been appointed as Vice President of the Management Board of the Company.

On 5 December 2022, a court clerk at the District Court for the Capital City of Warsaw in Warsaw (13th Commercial Department of the National Court Register), at the request of the shareholder of the Company – Best S.A. with its registered office in Gdynia, issued a decision on the joint appointment of: Rödl Kancelaria Prawna sp. k. with its registered office in Warsaw (National Court Register No.: 267170) to the extent of legal and tax issues and Roedl Audit sp. z o.o. with its registered office in Warsaw (National Court Register No.: 50605) to the extent of accounting and financial issues, as the special auditor for the purpose of examining the matter described in § 2 of draft resolution No. 4/2022 of 25 April 2022 on the appointment of the special auditor, included in the minutes from the Extraordinary General Meeting of Shareholders of the Company dated 25 April 2022 prepared by notary public Sławomir Strojny (Rep. A No. 5729/2022).

Pursuant to the decision:

- The Management Board and the Supervisory Board of the Company are under an obligation to present and make available to the special auditor documents, explanations and information necessary to conduct the audit, specified in § 3 of Draft Resolution No. 4/2022, within 14 days from the date on which the Decision becomes final,
- the auditor is under an obligation to initiate the audit within 14 days from the date on which the Decision becomes final,
- the auditor is under an obligation to present a written report on the results of the audit to the Management Board and the Supervisory Board within the time limit specified in § 4 of Draft Resolution No. 4/2022.

As indicated in the Current Report No. 40/2022, in the assessment of the Company the request to appoint a special auditor in the Company was unfounded and constituted an abuse of the law by the minority shareholder. Thus, the decision approving the shareholder's request is flawed and incorrect.

In the opinion of the Company, the decision is not final and it is not immediately enforceable, which means that the audit cannot commence until the decision becomes final, if it ever becomes final. The Company intends to lodge a complaint against the ruling of a court clerk indicating its defectiveness and presenting a detailed position on the case. In the opinion of the Company, lodging a complaint against the ruling of the court clerk will result in that decision becoming invalid and the case

will be remanded to the District Court for the Capital City of Warsaw in Warsaw (13th Commercial Department of the National Court Register) as the court of first instance.

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

On 24 February 2022, the armed forces of the Russian Federation invaded Ukraine and initiated acts of war in that region. In the reporting period, the war did not have any further relevant, negative effects beyond those included in the consolidated and separate full-year financial statements. All forecasts are subject to high uncertainty due to the unprecedented nature of the war of this scale in the recent history of Poland's surrounding areas and the high pace of events.

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

On 30 September 2022, the Ordinary General Meeting of Kredyt Inkaso S.A. passed Resolution No. 20/2022 on filing a request to the Management Board of the Company to commence the review of strategic options concerning the Company's future, reading as follows:

§1

The Ordinary General Meeting of Kredyt Inkaso S.A. decides to request the Management Board of Kredyt Inkaso S.A. and authorises the Management Board to commence the review of all strategic options concerning the Company's future in order to resolve the situation in the Company's shareholder structure, including in particular to enable a shareholder or shareholders to dispose of the Company's shares.

This authorisation covers the authorisation of the Management Board of the Company to undertake all formal and legal activities aimed at preparing and conducting the process of reviewing strategic options within the time limit and in accordance with the principles defined by the Management Board of the Company.

§2

The resolution enters into force as of the date of its adoption.

The above resolution was adopted unanimously.

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

APPROVAL FOR PUBLICATION

These interim condensed consolidated and separate financial statements for the period from 1 April 2022 to 30 June 2022, along with comparative information, were approved for publication by the Parent's Management Board on 19 December 2022 ("Approval Date").

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

Head of Consolidation
and Statutory Reporting Division

Jakub Cąber