

Auditor's report

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Independent auditor's report on the audit

of the annual consolidated financial statements

of the Kredyt Inkaso Capital Group S.A.

for the financial year from 1 April 2022 to 31 March 2023



INDEPENDENT STATUTORY AUDITOR'S REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

for the General Meeting of Kredyt Inkaso S.A.

Report on the audit of the annual consolidated financial statements

Opinion on the annual consolidated financial statements

We audited the attached annual consolidated financial statements of the Kredyt Inkaso S.A. Capital Group, hereinafter referred to as the "Group", in which the parent company is Kredyt Inkaso S.A. with its registered office in Warsaw, ul. Postępu 21B, hereinafter referred to as the "Parent Company", for the financial year from 1 April 2022 to 31 March 2023, which comprise the consolidated statement of income and consolidated statement of comprehensive income for the year then ended, the consolidated statement of financial position as of 31 March 2023, the consolidated statement of cash flows, the consolidated statement of changes in equity, for the year then ended and notes to the consolidated financial statements containing significant accounting policies and other explanatory information.

This report was prepared in a uniform electronic reporting format contained in an electronic file submitted as part of a reporting package named [REDACTED] bearing the electronic signatures of the Parent Company's Management Board on 17 July 2023.

The annual consolidated financial statements have been prepared using accounting and financial reporting principles specified in the International Accounting Standards, International Financial Reporting Standards and related interpretations promulgated as regulations of the European Commission, hereinafter referred to as "EU IFRS".

In our opinion, the attached annual consolidated financial statements of the Kredyt Inkaso S.A. Capital Group:

- present a fair and clear picture of the asset and financial situation of the Group as of 31 March 2023, the financial results and cash flows for the financial year ending on that date in accordance with applicable EU IFRS and adopted accounting principles (policies),
- comply, in all material respects as to form and content, with the legal regulations applicable to the Group and also with the provisions of the Parent Company's Articles of Association affecting its content,

Basis of the opinion

We conducted our audit of the financial statements in accordance with the National Auditing Standards, in the wording of the International Auditing Standards, as adopted by the National Council of Statutory Auditors, hereinafter referred to as the "National Auditing Standards", the Act of 11 May 2017 on

Statutory Auditors, Audit Firms and Public Supervision, hereinafter referred to as the "Act on Statutory Auditors", applicable to audits of financial statements prepared for periods ending 31 March 2023, and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on detailed requirements for statutory audits of public-interest entities, repealing Commission Decision 2005/909/EC (Official Journal of the EU L 158 of 27.05.2014, p. 77 and Official Journal of the EU L 170 of 11.06.2014, p. 66), hereinafter referred to as "Regulation 537/2014".

Our responsibility under these standards is described in the section "Responsibility of the Statutory Auditor for Auditing the Annual Consolidated Financial Statements".

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including the International Independence Standards), hereinafter referred to as the "IESBA Code", adopted by the National Council of Statutory Auditors, and with the independence requirements set forth in the Act on Statutory Auditors and Regulation 537/2014. We have also fulfilled our other ethical obligations set forth in the Act on statutory auditors, Regulation 537/2014 and the IESBA Code.

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

Key audit matters (issues), including significant risks of material misstatement presented in accordance with the requirements of Regulation 537/2014

The key audit matters are those that, in our professional judgment, were most significant during the audit of the annual consolidated financial statements for the current reporting period. They are distinguished from among:

- a) areas for which we estimated the risk of material misstatement as high,
- b) significant risks of material misstatement,
- c) our significant judgments relating to areas of the annual consolidated financial statements that require significant judgments by the Parent Company's Management Board,
- d) events and transactions that had a significant impact on our audit.

At the same time, Regulation 537/2014 requires us to present in the audit report all the most significant risks of material



misstatement, including those that were not a key audit matter for us. Significant risks of material misstatement are risks of material misstatement that we have identified that, in our judgment, require special consideration during the audit.

The key audit matters presented below include all of the most significant risks of material misstatement referred to in

Regulation 537/2014 and other matters that we have identified as key audit matters.

We addressed the key audit matters and significant risks of material misstatement in the context of our audit of the annual consolidated financial statements as a whole and in forming our opinion thereon, and we are not rendering a separate opinion on them.

Key matters: Valuation of the Group's investments in acquired receivables

Did the key matter pose a significant risk: YES

Description of the key matter	How was the case addressed during the survey
<p>The carrying value of investments in purchased receivables accounted for 85.4% of the Group's total assets as of 31 March 2023.</p> <p>The Group recognizes investments in receivables acquired in accordance with IFRS 9 and classifies them as financial assets measured at amortized cost using the effective interest rate.</p> <p>Determination of forecasts of recoveries and, consequently, of the related cash flows is based on a number of assumptions and estimates, in particular with regard to the value of future receipts from collected receivables, the costs of recovery - debt collection and the calculation of the discount rate.</p> <p>We recognized that the reasonableness of the assumptions made in this regard involves a significant inherent risk of error and fraud, and is subject to significant risk due to the high uncertainty associated with the assumed effectiveness of collection activities and the estimated costs of collection. Expectations of economic development and the legal environment affecting the effectiveness of debt collection activities are also an important area of estimation.</p> <p>The principles of classification and valuation of investments in purchased receivables are described in Item: 2.4.9.1; "Financial assets at amortized cost" in the introduction regarding the accounting principles applied by the Kredyt Inkaso S.A. Capital Group.</p> <p>Disclosures regarding the Company's investment in acquired receivables are included in Note 11 "Acquired receivables" of the notes to the consolidated financial statements.</p>	<p>Responding to the identified risks, we carried out a number of procedures. Below we have described the procedures key to achieving our audit objectives.</p> <p>We have analyzed and evaluated:</p> <ul style="list-style-type: none"> • accounting principles adopted by the Group for the valuation of acquired receivables, • the methodology adopted and applied by the Group for estimating the value of debt portfolios, in terms of its compliance with relevant financial reporting standards and commonly used valuation methodologies, • the reasonableness of the key assumptions made by the Group in estimating the discounted expected cash flows from its debt portfolios by, among other things: <ul style="list-style-type: none"> - analyzing and evaluating debt collection strategies in relation to future cash flow projections, - conducting interviews with employees responsible for key business processes at the Parent Company, particularly enforcement strategies, litigation strategies, settlement strategies, and the analysis and risk area, - checking the degree to which historically accepted assumptions are realized against actual data, - analyzing and evaluating the correctness of the adopted discount rates, analyzing and evaluating the reasonableness of the adopted recovery periods and volumes, - analyzing and evaluating projected flows for receivables secured by real estate, - we evaluated controls in the area of purchased receivables and tested the effectiveness of the operation of these controls, - analyzing and evaluating the reasonableness of changes in the expected timing of realized recoveries and the recovery reliability testing. <p>We analyzed and evaluated the adequacy and sufficiency of the disclosures in the annual consolidated financial statements.</p>

Other matters

The Group's annual consolidated financial statements for the year ended 31 March 2022 were audited by an auditor acting on behalf of another audit firm, which expressed an unqualified opinion on the statements on 30 June 2022.

Other information included in the consolidated annual report

Other information includes financial and non-financial information included in the consolidated annual report, other than the annual consolidated financial statements and audit report. Other information includes, among other things, the report on the Group's activities for the year ended 31 March 2023, together with the statement on corporate governance

referred to in Article 49 par. 2a of the Accounting Act and the statement on non-financial information referred to in Article 49b par. 1 of the Accounting Act, which are separate parts of this report on activities.

Preparation of other information is the responsibility of the Management Board and members of the Supervisory Board of the Parent Company, respectively.

Our opinion on the annual consolidated financial statements does not include this other information and, unless explicitly stated in the section "Report on other legal and regulatory requirements", we do not express any form of assurance about this other information. In addition, the scope of our work and the nature of our assurance are exclusively as we describe.



In connection with our audit of the annual consolidated financial statements, it is our responsibility, in accordance with National Auditing Standards, to read other information in performing the audit, to consider whether other information is materially inconsistent with the annual consolidated financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated.

If, based on the work we have done with respect to other information that we obtained prior to the date of this audit report, we determine that there is a material misstatement of such other information, we are required to include such information in the audit report. We have nothing to report in this regard.

Responsibility of the Management Board and Supervisory Board of the Parent Company for the annual consolidated financial statements

The Parent Company's Management Board is responsible for the preparation of annual consolidated financial statements that present a clear and fair view in accordance with the EU IFRS, its compliance with the laws applicable to the Group, and the Parent Company's Articles of Association, including for its preparation in accordance with the requirements of the ESEF Regulation.

The Parent Company's Management Board is also responsible for such internal control as it deems necessary for the preparation of annual consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Parent Company's Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing in the annual consolidated financial statements, if applicable, matters related to going concern. In selecting the Group's accounting principles and policies and preparing the annual consolidated financial statements, the Parent Company's Management Board is also responsible for assuming that the Group will continue, for the foreseeable future, to operate in a materially undiminished manner, unless the Parent Company's Management Board intends to liquidate or discontinue the business or if there is no other realistic possibility of continuing the business.

Members of the Parent Company's Supervisory Board are responsible for overseeing the Group's financial reporting process.

In accordance with the Accounting Act, the Management Board and members of the Supervisory Board of the Parent Company are required to ensure that the annual consolidated financial statements meet the requirements of the Accounting Act.

Responsibility of the statutory auditor for auditing the annual consolidated financial statements

The objective of the audit is to obtain reasonable assurance about whether the annual consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue the auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above indicated standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual consolidated financial statements.

Conducting the audit, in accordance with the National Auditing Standards:

- we use professional judgment and maintain professional skepticism, and
- we identify and assess the risk of a significant distortion of the annual consolidated financial statements, caused by fraud or errors, we design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. A risk of failure to identify a misstatement due to fraud or other irregularities is higher than a risk of failure to identify a misstatement due to error because it can also be related to any collusions, falsification, intentional omissions, misleading or bypassing internal control and it may concern each legal and regulatory domain, not only the one having a direct impact on the financial statements,
- we gain an understanding of the internal control significant to the audit in order to design audit procedures that are appropriate under the given circumstances, and not to express an opinion on the effectiveness of the Company's internal control,
- we assess the appropriateness of the accounting principles (policy) applied, the legitimacy of accounting estimates and related disclosures made by the Parent Company's Management Board,
- we draw a conclusion on the appropriateness of the Parent Company's Management Board's application of the going concern assumption in applying the adopted accounting policies and, based on the audit evidence gathered, assess whether there is a material uncertainty with respect to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. When we assess that a material uncertainty exists, we are required in our audit report either to draw attention to the disclosures in the annual consolidated financial statements regarding this uncertainty or to modify our opinion on the annual consolidated financial statements, if these disclosures are inadequate. Our assessment is based on audit evidence obtained up to the date of our audit report. However, events or conditions may occur in the future that may cause the Group not to continue operations,
- we evaluate the overall presentation, structure and content of the annual consolidated financial statements, including disclosures, and whether the annual consolidated financial statements present the underlying transactions and events in a manner that ensures a fair presentation,
- we obtain sufficient and appropriate audit evidence regarding the financial information of the entities and ventures within the Group to express an opinion on the annual consolidated financial statements. We are responsible for overseeing, supervising and performing the audit of the annual consolidated financial statements and remain solely responsible for our opinion from the audit.

We communicate information related to the audit to the Supervisory Board and the Audit Committee of the Parent Company, in particular about the planned scope and time-frame of the audit and the significant findings of the audit, including any significant internal control weaknesses that we identified during the audit.

We have submitted a statement to the Parent Company's Audit Committee that we comply with the applicable ethical requirements for independence and that we will inform the Committee of all relationships and other matters that could reasonably be considered to pose a threat to our independence,



and where applicable, we will inform the Committee of the safeguards in place.

The scope of the audit does not guarantee that the Group will be profitable in the future or that the Management Board of the Parent Company will carry out its business, whether present or future, in an efficient or effective manner.

Among the issues referred to the Supervisory Board of the Parent Company, we identified those of the largest significance for the audit of the annual consolidated financial statements for the current reporting period. Therefore, we considered them to be issues of key significance to the audit. We describe these matters in our audit report in the section *“Key audit matters (issues) and significant risks of material misstatement presented in accordance with Regulation 537/2014”*, except for matters as to which laws or regulations prohibit public disclosure or when, in exceptional circumstances, we determine that the matter should not be presented in our report because the negative consequences could reasonably be expected to outweigh the benefits of such information to the public interest.

Pursuant to the Act on Statutory Auditors, we are also required to include in the audit report an opinion on whether the annual consolidated financial statements comply in form and content with the applicable laws and regulations applicable to the Group and the Parent Company's Articles of Association. We formulated opinions in this regard based on the work done during the audit.

Report on other legal and regulatory requirements

Report on the Group's activities

The report on the Group's activities has been prepared together with the report on the activities of Kredyt Inkaso S.A. as a single document in the form of an electronic file named KISASZdZ2023-03-31, bearing the electronic signatures of the Parent Company's Management Board on 17 July 2023.

Responsibility of the Parent Company's Management Board and Supervisory Board

The Parent Company's Management Board is responsible for drawing up the Report on Group's Activities in accordance with applicable legal regulations. The Management Board and members of the Supervisory Board of the Parent Company are responsible for ensuring that the report on the Group's activities complies with the requirements of the Accounting Act.

Statutory auditor's responsibility

In accordance with the requirements of the Act on Statutory Auditors and the regulation on current and periodic information, we are required to form an opinion as to whether the report on the Group's activities takes into account the provisions of this regulation and the Accounting Act, and whether it complies with the information contained in the annual consolidated financial statements.

In addition, we are required to formulate a statement as to whether, in light of our knowledge of the Group and its environment obtained during the audit, we have identified material misstatements in the report on the Group's activities and, if so, indicate what they consist of.

At the same time, we are required to form an opinion as to whether the corporate governance statement, which is a separate part of the report on the Group's activities, contains certain information indicated in the regulation on current and periodic information, and with respect to certain information indicated in this regulation, whether the information is consistent

with applicable laws and with the information contained in the annual consolidated financial statements.

We have reviewed the report on the Group's activities, including the corporate governance statement. We have analyzed whether it contains the information required by the aforementioned laws and regulations and verified that the information contained therein is consistent with the information contained in the annual consolidated financial statements. Regarding some of the information contained in the corporate governance statement, we analyzed whether it complies with the law. In reading the report on activities, we have considered, based on our knowledge of the Group and its environment, whether it contains any material misstatements.

Opinion on the report on the Capital Group's activities

In our opinion, based on the work performed in connection with the audit of the annual consolidated financial statements, the attached report on the activities of the Kredyt Inkaso S.A. Capital Group for the financial year ended 31 March 2023:

- was prepared in accordance with Article 49 of the Accounting Act and section 70 of the Regulation on Current and Periodic Information,
- information presented in this report is consistent with information contained in the audited annual consolidated financial statements.

In light of our knowledge of the Group and its environment obtained during our audit, we found no material misstatements in the report on the Group's activities.

Opinion on the statement of compliance with corporate governance

In our opinion, based on the work performed in connection with the audit of annual consolidated financial statements:

- the statement on the application of corporate governance includes the information specified in section 70 par. 6 item 5 of the Regulation on current and periodic information,
- the information indicated in section 70 par. 6 item 5 letters c)-f), h) and i) of this regulation contained in this statement is consistent with the applicable regulations and the information contained in the audited annual financial statements.

Information about non-financial statement

In accordance with the requirements of the Act on Statutory Auditors, we report that the Parent Company's Management Board has prepared a non-financial statement referred to in Article 49b par. 1 of the Accounting Act as a separate part of the report on the Group's activities.

We have not performed any attestation work on the non-financial statement and do not express any assurance on it.

Opinion on the compliance of the labelling of the consolidated financial statements prepared in a single electronic reporting format with the requirements of the Regulation on technical standards for the specification of a single electronic reporting format

In connection with the audit of the consolidated financial statements, we have been engaged to perform an attestation service providing reasonable assurance to express an opinion as to whether the consolidated financial statements of the Group as of and for the year ended 31 March 2023, prepared in a single electronic reporting format, contained in a file named [file name],



hereinafter referred to as the “consolidated financial statements in ESEF format”, have been labelled in accordance with the requirements set forth in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018, supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format, hereinafter referred to as the “ESEF Regulation”.

Criteria for and description of the services

The consolidated financial statements in ESEF format have been prepared by the Parent Company’s Management Board in order to meet the labelling and technical requirements on the specification of a single electronic reporting format, which are set forth in the ESEF Regulation.

The subject of our attestation service is the compliance of the labelling of the consolidated financial statements in ESEF format with the requirements of the ESEF Regulation, and the requirements set forth in these regulations are, in our opinion, appropriate criteria for our opinion.

Responsibility of the Management Board and Supervisory Board of the Parent Company

The Parent Company’s Management Board is responsible for preparing the consolidated financial statements in ESEF format in accordance with the labelling requirements and technical requirements for the specification of a single electronic reporting format, which are set forth in the ESEF Regulation. This responsibility includes the selection and application of appropriate XBRL tags, using the taxonomy specified in these regulations.

The responsibility of the Parent Company’s Management Board also includes the design, implementation and maintenance of an internal control system that ensures the preparation of consolidated financial statements in ESEF format, free from material non-compliance with the requirements of the ESEF Regulation.

Members of the Parent Company’s Supervisory Board are responsible for overseeing the financial reporting process, which includes the preparation of financial statements in accordance with the format prescribed by applicable law.

Statutory auditor’s responsibility

Our objective was to express an opinion, based on an attestation service that provides reasonable assurance, as to whether the consolidated financial statements in ESEF format have been labelled in accordance with the requirements of the ESEF Regulation.

We have performed the service in accordance with the National Standard on Attestation Services for Audits of Financial Statements Prepared in a Single Electronic Reporting Format 3001PL, hereinafter referred to as “KSUA 3001PL” and, where applicable, in accordance with the National Standard on Attestation Services Other than Audits and Reviews 3000 (Z) as amended by International Standard on Attestation Services 3000 (Revised) - “Attestation Services Other than Audits or Reviews of Historical Financial Information”. hereinafter referred to as “KSUA 3000 (Z)”.

The standard requires the auditor to plan and execute procedures so as to obtain reasonable assurance that the consolidated financial statements in ESEF format have been prepared in accordance with the specified criteria.

Reasonable assurance is a high level of assurance, but it does not guarantee that a service conducted in accordance with

KSUA 3001PL and, where applicable, in accordance with KSUA 3000 (Z), will always detect an existing material misstatement. Procedures are chosen at the auditor’s discretion based, among others, on the estimation of a risk of material misstatements caused by fraud or error. The auditor estimates the risk by taking into account internal control connected with the preparation of the consolidated financial statements in ESEF format in order to plan relevant procedures, which are to provide the auditor with sufficient and relevant evidence. The operation of the internal control system was not evaluated to express an opinion concerning its effectiveness.

Summary of work done

The procedures we planned and carried out included:

- gaining an understanding of the process of preparing consolidated financial statements in ESEF format, including the Company’s process of selecting and applying XBRL tags and ensuring compliance with the ESEF Regulation, including an understanding of the internal control system mechanisms related to this process;
- reconciliation of labelled, on a selected sample, information contained in the consolidated financial statements in ESEF format to the audited consolidated financial statements;
- using a specialized IT tool, assessment of compliance with the technical standards on the specification of a single electronic reporting format, assessment of completeness of labelling the information in the consolidated financial statements in ESEF format with XBRL tags;
- assessment whether the applied XBRL tags from the taxonomy specified in the ESEF Regulation have been applied appropriately, and whether taxonomy extensions have been used in situations where relevant elements have not been identified in the basic taxonomy specified in the ESEF Regulation;
- assessment of correctness of anchoring the applied taxonomy extensions to the basic taxonomy defined in the ESEF Regulation;

We believe that the evidence we have obtained provides a sufficient and adequate basis for our opinion on the label’s compliance with the requirements of the ESEF Regulation.



Ethical requirements, including independence

By carrying out the service, the statutory auditor and PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k., hereinafter referred to as "PKF Consult", complied with the independence and other ethical requirements set forth in the IFAC Code. The IFAC Code is based on the basic principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct. We also complied with other requirements of independence and ethics which apply to the assurance services in Poland.

Quality control requirements

PKF Consult applies national standards on quality control in the wording of International Standard on Quality Control 1 - "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Attestation and Related Services Engagements" adopted by resolution of the National Council of Certified Auditors (hereinafter referred to as the "NSQC").

In accordance with the requirements of the National Standards on Quality Control, PKF Consult maintains a comprehensive quality control system, which includes documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion on compliance with the requirements of the ESEF Regulation

The auditor's opinion was drawn on the basis of the above issues. Therefore the opinion should be read together with those issues.

In our opinion, the attached consolidated financial statements in ESEF format, as of and for the year ended 31 March 2023, have been labelled, in all material respects, in accordance with the requirements of the ESEF Regulation.

Other information and statements required by Regulation 537/2014

Consistency of opinion on annual consolidated financial statements with supplementary report for the audit committee

Our opinion on the annual consolidated financial statements is consistent with the supplementary report for the Audit Committee referred to in Regulation 537/2014.

Selection of audit firm and total uninterrupted contract period

We have been selected to audit the Company's annual financial statements by resolution of the Supervisory Board No. X/5/1/2022 dated 9 August 2022. We have been auditing the Company's financial statements as a public interest entity for the first time.



Services that are not a statutory audit

To the best of our knowledge and belief, we declare that we have not provided services that are not an audit, which are

prohibited by the provisions of Article 5 par. 1 of Regulation 537/2014 during the periods indicated therein.

Cezary Bąkiewicz
Statutory auditor No. 12 232

lead statutory auditor conducting the audit
on behalf of PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k.
audit firm No. 477

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Warsaw, 17 July 2023

