



KREDYT INKASO

Kredyt Inkaso S.A. Capital Group

Consolidated and separate
financial statements
for nine months ended
31.12.2023

Warsaw, 28.02.2024.



Interim condensed consolidated and separate financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand)

SELECTED CONSOLIDATED FINANCIAL DATA OF THE CAPITAL GROUP	3
SELECTED SEPARATE FINANCIAL DATA OF THE COMPANY	4
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	5
CONSOLIDATED STATEMENT OF PROFIT OR LOSS.....	6
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	7
CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	8
CONSOLIDATED STATEMENT OF CASH FLOWS.....	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	12
EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	14
1. General information	14
2. Basis for the preparation of the consolidated financial statements and accounting policies	17
3. Operating segments.....	21
4. Net income.....	23
5. Operating expenses	24
6. Financial income and costs	24
7. Income tax.....	25
8. Other financial assets	26
9. Purchased debt claims.....	26
10. Receivables and loans.....	27
11. Deferred income tax assets and liabilities	28
12. Financial instruments.....	29
13. Equity.....	33
14. Borrowings and other debt instruments	34
15. Financial risk management.....	37
16. Capital management.....	38
17. Information on significant transactions with related parties.....	39
18. Contingent liabilities, guarantees, warranties and collaterals on the Group's assets	40
19. Court, enforcement, tax and other proceedings.....	42
20. Significant events after the balance sheet date	44
21. Factors and events, including those of an unusual nature, having a significant impact on the financial statements	45
22. Other information relevant to the assessment of personnel, assets and financial situation	45
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS	46
SEPARATE STATEMENT OF PROFIT OR LOSS	47
SEPARATE STATEMENT OF COMPREHENSIVE INCOME	48
SEPARATE STATEMENT OF FINANCIAL POSITION	49
SEPARATE STATEMENT OF CASH FLOWS.....	50
SEPARATE STATEMENT OF CHANGES IN EQUITY	51
EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS.....	52
1. Basis for the preparation of the interim condensed separate financial statements and accounting policies.....	52
APPROVAL FOR PUBLICATION	53

Interim condensed consolidated and separate financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand)

SELECTED CONSOLIDATED FINANCIAL DATA OF THE CAPITAL GROUP

	31/12/2023	31/03/2023	31/12/2023	31/03/2023
	'000 PLN		'000 PLN	
Selected financial indicators				
Net financial debt	376,190	288,676	86,520	61,742
Equity	347,976	323,037	80,031	69,091
Net financial debt/equity ratio	1.08	0.89	1.08	0.89
PLN/EUR exchange rate at the balance sheet date	4.3480	4.6755	4.3480	4.6755
Consolidated statement of financial position				
Total assets	833,088	696,415	191,603	148,950
Total liabilities	485,112	373,378	111,571	79,858
Long-term liabilities	362,354	271,625	83,338	58,095
Current liabilities	122,758	101,753	28,233	21,763
Equity	347,976	323,037	80,031	69,091
Equity attributable to shareholders of the parent company	347,307	322,431	79,877	68,962
	01/04/2023- 31/12/2023	01/04/2022- 31/12/2022	01/04/2023- 31/12/2023	01/04/2022- 31/12/2022
Consolidated statement of profit or loss				
Net income	195,140	153,723	43,646	32,693
Profit (loss) from operating activities	70,521	42,278	15,773	8,992
Profit (loss) before tax	32,272	19,919	7,218	4,236
Net profit (loss)	29,460	15,929	6,589	3,388
Net profit (loss) attributable to shareholders of the parent company	28,706	15,168	6,420	3,226
Earnings (loss) per share in PLN	2.23	1.18	0.50	0.25
Diluted earnings (loss) per share in PLN	2.23	1.18	0.50	0.25
Average PLN/EUR exchange rate during the period	4.4710	4.7020	4.4710	4.7020
Consolidated statement of cash flows				
Net cash from operating activities	132,024	120,009	29,529	25,523
Net cash from investment activities	(183,786)	(72,678)	(41,106)	(15,457)
Net cash from financing activities	85,628	(94,728)	19,152	(20,146)
Change due to exchange rate differences	(3,269)	3,398	(731)	723
Net change in cash and cash equivalents	30,597	(43,999)	6,843	(9,358)
Average PLN/EUR exchange rate during the period	4.4710	4.7020	4.4710	4.7020

Interim condensed consolidated and separate financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand)

SELECTED SEPARATE FINANCIAL DATA OF THE COMPANY

	31/12/2023	31/03/2023	31/12/2023	31/03/2023
	'000 PLN		'000 PLN	
Statement of financial position				
Total assets	437,692	378,377	100,665	80,928
Total liabilities	362,625	301,698	83,400	64,527
Long-term liabilities	274,472	212,229	63,126	45,392
Current liabilities	88,153	89,469	20,274	19,136
Equity	75,067	76,679	17,265	16,400
Share capital	12,897	12,897	2,966	2,758
PLN/EUR exchange rate at the balance sheet date	4.3480	4.6755	4.3480	4.6755

	01/04/2023- 31/12/2023	01/04/2022- 31/12/2022	01/04/2023- 31/12/2023	01/04/2022- 31/12/2022
Statement of profit or loss				
Net income	70,190	58,920	15,699	12,531
Profit (loss) from operating activities	1,264	(1,262)	283	(268)
Profit (loss) before tax	(1,965)	320	(439)	68
Net profit (loss)	(842)	1,949	(188)	415
Earnings (loss) per share in PLN	(0.07)	0.15	(0,015)	0.03
Diluted earnings (loss) per share in PLN	(0.07)	0.15	(0,015)	0.03
Average PLN/EUR exchange rate during the period	4.4710	4.7020	4.4710	4.7020

Statement of cash flows				
Net cash from operating activities	(78)	216	(17)	46
Net cash from investment activities	(4,621)	69,208	(1,034)	14,719
Net cash from financing activities	36,680	(78,701)	8,204	(16,738)
Net change in cash and cash equivalents	31,981	(9,277)	7,153	(1,973)
Average PLN/EUR exchange rate during the period	4.4710	4.7020	4.4710	4.7020

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023	01/04/2022- 31/12/2022	01/10/2022- 31/12/2022
Net income					
Interest income on debt portfolios calculated using the effective interest rate method		113,275	40,680	88,642	29,515
Debt portfolios revaluation	4.1	78,236	20,760	63,452	19,857
Other income/costs	4.2	3,629	520	1,629	1,176
Total net income		195,140	61,960	153,723	50,548
Salary and employee benefit costs		(44,898)	(16,418)	(39,573)	(14,071)
Depreciation		(6,457)	(2,204)	(5,635)	(1,956)
Third-party services		(37,032)	(13,207)	(32,437)	(10,996)
Other operating costs		(36,232)	(13,605)	(33,800)	(13,413)
Total operating costs	5	(124,619)	(45,434)	(111,445)	(40,436)
Profit (loss) on operating activities		70,521	16,526	42,278	10,112
Financial income, including	6	2,722	1,101	8,182	1,578
on account of interest on instruments measured at amortized cost		2,606	991	1,552	604
Finance costs, including	6	(40,971)	(16,943)	(30,541)	(11,484)
on account of interest on instruments measured at amortized cost		(33,175)	(11,837)	(26,538)	(9,622)
Profit (loss) before taxation		32,272	684	19,919	206
Income tax	7	(2,812)	319	(3,990)	405
Net profit (loss)		29,460	1,003	15,929	611
Net profit attributable to:					
Shareholders of the parent company		28,706	994	15,168	582
Non-controlling shares		754	9	761	29
Earnings (loss) per share in PLN and 0/100					
ordinary	13.5	2.23	0.08	1.18	0.05
diluted	13.5	2.23	0.08	1.18	0.05

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023	01/04/2022- 31/12/2022	01/10/2022- 31/12/2022
Net profit (loss)		29,460	1,003	15,929	611
Income (loss) from hedge accounting recognized in the period in other comprehensive income	15.1	(841)	(841)	4,569	1,592
Amounts related to hedge accounting transferred to profit or loss	15.1	(110)	(110)	(6,331)	(2,726)
Income tax	15.1	181	181	335	216
Foreign exchange differences on translation of foreign operations		(3,060)	(3,006)	2,076	(5,183)
Other comprehensive income		(3,830)	(3,776)	649	(6,101)
Total comprehensive income		25,630	(2,773)	16,578	(5,490)
					-
Comprehensive income attributable to:					-
shareholders of the parent company		24,876	(2,782)	15,817	(5,519)
non-controlling entities		754	9	761	29

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note	31/12/2023	31/03/2023
Goodwill		7,022	7,022
Intangible assets		6,633	7,434
Property, plant and equipment		15,402	17,319
Investment properties		10,136	11,449
Long-term receivables	10	260	464
Deferred income tax assets	11	495	676
Fixed assets		39,948	44,364
Trade and other receivables	10	8,344	9,400
Current income tax receivables		396	185
Purchased debt claims	9	705,661	593,908
Other short-term financial assets	8	-	1,118
Short-term prepayments and accruals		2,502	1,800
Cash and cash equivalents		76,237	45,640
Current assets		793,140	652,051
Total assets		833,088	696,415

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

Liabilities	Note	31/12/2023	31/03/2023
Share capital	13.1	12,897	12,897
Statutory reserve		100,098	92,157
Revaluation reserve		(770)	-
Foreign exchange differences on translation		(5,197)	(2,137)
Retained earnings, including		240,279	219,514
net profit attributable to shareholders of the parent company		28,706	22,512
profits of previous years		211,573	197,002
Equity attributable to shareholders of the parent company		347,307	322,431
Non-controlling shares		669	606
Total equity		347,976	323,037
Credits, loans, other debt instruments	14	351,193	258,439
Lease obligations		9,818	11,472
Derivative financial instruments		841	-
Long-term prepayments and accruals		8	-
Deferred income tax provision	11	494	1,714
Long-term liabilities		362,354	271,625
Trade and other payables		17,816	19,699
Current income tax liabilities		758	1,047
Credits, loans, other debt instruments	14	88,269	61,333
Lease obligations		3,147	3,072
Other short-term provisions		6,987	11,357
Short-term prepayments and accruals		5,781	5,245
Current liabilities		122,758	101,753
Total liabilities		485,112	373,378
Total equity and liabilities		833,088	696,415

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	01/04/2023- 31/12/2023	01/04/2022- 31/12/2022
Profit (loss) before taxation		32,272	19,919
Adjustments:			
Depreciation of property, plant and equipment		3,294	2,994
Depreciation of intangible assets		3,163	2,641
Purchased debt claims - difference between repayments and interest income	9	144,476	145,511
Purchased debt claims - revaluation	4.1	(78,236)	(63,452)
Financial costs		35,135	30,541
Financial income		(2,722)	(7,950)
Profit (loss) due to exchange rate differences		5,836	(232)
Other adjustments		(1,871)	(793)
Total adjustments		109,075	109,260
Change in receivables		1,049	612
Change in liabilities		(2,174)	33
Change in reserves and accruals		(2,520)	(4,567)
Cash from operating activities		137,002	125,257
Income tax paid		(5,678)	(5,248)
Net cash from operating activities		132,024	120,009
Purchased debt claims - debt portfolios purchased	9	(185,161)	(73,506)
Proceeds from the sale of investment properties		1,316	998
Proceeds from other financial assets		800	800
Proceeds from sale of property, plant and equipment		52	160
Expenses for acquisition of intangible assets		(2,385)	(1,441)
Expenses for acquisition of property, plant and equipment		(1,020)	(1,065)
Expenses for the acquisition of investment properties		-	(176)
Interest received		2,612	1,552
Net cash from investment activities		(183,786)	(72,678)
Proceeds from taking out loans and credits		82,241	21,150
Proceeds from issuance of debt securities		85,741	32,689
Redemption of debt securities		(15,552)	(90,321)
Payments from settlement of hedging transactions		-	(4,775)
Repayment of loans and credits		(35,068)	(25,344)
Repayment of lease liabilities		(3,530)	(3,574)
Interest paid		(27,504)	(23,820)
Dividends paid to owners		(700)	(733)
Net cash from financing activities		85,628	(94,728)
Net change in cash and cash equivalents (excluding foreign exchange differences)		33,866	(47,397)
Change due to exchange rate differences		(3,269)	3,398
Net change in cash and cash equivalents(including foreign exchange differences)		30,597	(43,999)
Cash and cash equivalents at the beginning of the period		45,640	98,223
Cash and cash equivalents at the end of the period		76,237	54,224
- of which not readily disposable		8,803	-

In Q2 2023/24, the Group learned from the bank executing the transactions that further cash transfers from the Russian region to other Group companies would be subject to additional conditions, including especially related to the currency, the bank on

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

the Russian side, and the implementation of additional screening of debtors covered by the Russian company for their potential inclusion on sanction lists. As at the balance sheet date and by the Approval Date, the Group has not implemented solutions allowing the other Group companies to use the Russian company's funds as this was made impossible due to new Russian regulations (so called counter-sanctions). Various options are being considered now and their implementation depends on, firstly, approvals of the Russian authorities and, secondly, authorisations from international banks that must comply with EU and US sanctions applicable to entities operating in Russia. At this stage, it is difficult to determine if and when an effective method for transferring the Russian company's funds will be developed and, therefore, as at 31 December 2023, the Group has decided to present the cash items held by that Russian company (equivalent to PLN 8.8 million) as not readily disposable.

The last transfer from the Russian company to the Group occurred in September 2023. The value of the Russian company's assets and its cash flows are not material to the Group's financial position and growth outlook. Actually, their materiality has been diminishing with each successive period as the Group has not made any investments in Russia since 2018 and is currently operating ageing portfolio of debt claims there.

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Statutory reserve	Revaluation reserve	Foreign exchange differences on translation	Retained earnings	Equity attributable to shareholders of the parent company	Non-controlling shares	Total equity
As at 01 April 2023	12,897	92,157	-	(2,137)	219,514	322,431	606	323,037
Dividends	-	-	-	-	-	-	(700)	(700)
Change of capital group structure (transactions with non-controlling interest holders)*	-	-	-	-	-	-	9	9
Total transactions with owners	-	-	-	-	-	-	(691)	(691)
Net profit	-	-	-	-	28,706	28,706	754	29,460
Other comprehensive income	-	-	(770)	(3,060)	-	(3,830)	-	(3,830)
Total comprehensive income	-	-	(770)	(3,060)	28,706	24,876	754	25,630
Profit allocation	-	7,941	-	-	(7,941)	-	-	-
Total changes in equity	-	7,941	(770)	(3,060)	20,765	24,876	63	24,939
As at 31 December 2023	12,897	100,098	(770)	(5,197)	240,279	347,307	669	347,976

(*) On 1 November 2023, a share capital increase has been registered for KI RUS, leading to higher non-controlling interest.

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand)

	Share capital	Statutory reserve	Revaluation reserve	Foreign exchange differences on translation	Retained earnings	Equity attributable to shareholders of the parent company	Non-controlling shares	Total equity
As at 01 April 2022	12,897	105,691	1,468	(5,100)	183,396	298,352	704	299,056
Dividends	-	-	-	-	-	-	(733)	(733)
Net profit	-	-	-	-	15,168	15,168	761	15,929
Other comprehensive income	-	-	(1,427)	2,076	-	649	-	649
Total comprehensive income	-	-	(1,427)	2,076	15,168	15,817	761	16,578
Profit allocation	-	(13,966)	-	-	13,966	-	-	-
Other changes	-	-	-	-	73	73	20	93
Total changes in equity	-	(13,966)	(1,427)	2,076	29,207	15,890	48	15,938
As at 31 December 2023	12,897	91,725	41	(3,024)	212,603	314,242	752	314,994

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

1.1. Information about the parent company

Kredyt Inkaso S.A. Capital Group ("Capital Group", "Group") is controlled by the parent company Kredyt Inkaso Spółka Akcyjna ("Parent", "Issuer", "Company").

Name of reporting entity:	Kredyt Inkaso S.A.
Registered office:	Warsaw (ul. Postępu 21B, 02-676 Warszawa, Poland)
Principal place of business:	Warsaw (ul. Postępu 21B, 02-676 Warszawa, Poland)
Business name:	Kredyt Inkaso Spółka Akcyjna
Legal form:	Polish joint-stock company
Address:	Warsaw (ul. Postępu 21B, 02-676 Warszawa, Poland)
Country:	Poland
Registry Court:	District Court for Warsaw, in Warsaw, 13th Commercial Division of National Court Register, Poland
Date of Registration:	28 December 2006 in its current legal form (joint-stock company) 19 April 2001 in its previous legal form (limited partnership)
Company number (KRS):	0000270672
Statistical number (REGON):	951078572
Tax number (NIP):	922-254-40-99
Polish statistical classification codes (PKD):	64.99.Z - Other financial service activities, not classified elsewhere, except insurance and pension funding

The main operating activity of the Parent is the management of debt portfolios acquired by Group subsidiaries and by external investment funds whose debt portfolios have been entrusted for management. Group entities acquire debt portfolios both in Poland and abroad. The Group is collecting debt claims payable mainly by individuals, through amicable or legal means.

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

1.2. Composition of the Parent's management and supervisory bodies as at the balance sheet date and report approval date

1.2.1. Management Board

Barbara Rudziks	President of Management Board
Maciej Szymański	Vice President
Iwona Słomska	Vice President
Mateusz Boguta	Board Member

There were no changes in the composition of the Management Board during the current reporting period.

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

1.2.2. Supervisory Board

Composition of the Supervisory Board at the balance sheet date:

Bogdan Dzudzewicz	Chairman of Supervisory Board
Marcin Okoński	Vice Chairman of Supervisory Board
Daniel Dąbrowski	Board Member
Raimondo Eggink	Board Member
Karol Sowa	Board Secretary

Changes in the composition of the Supervisory Board:

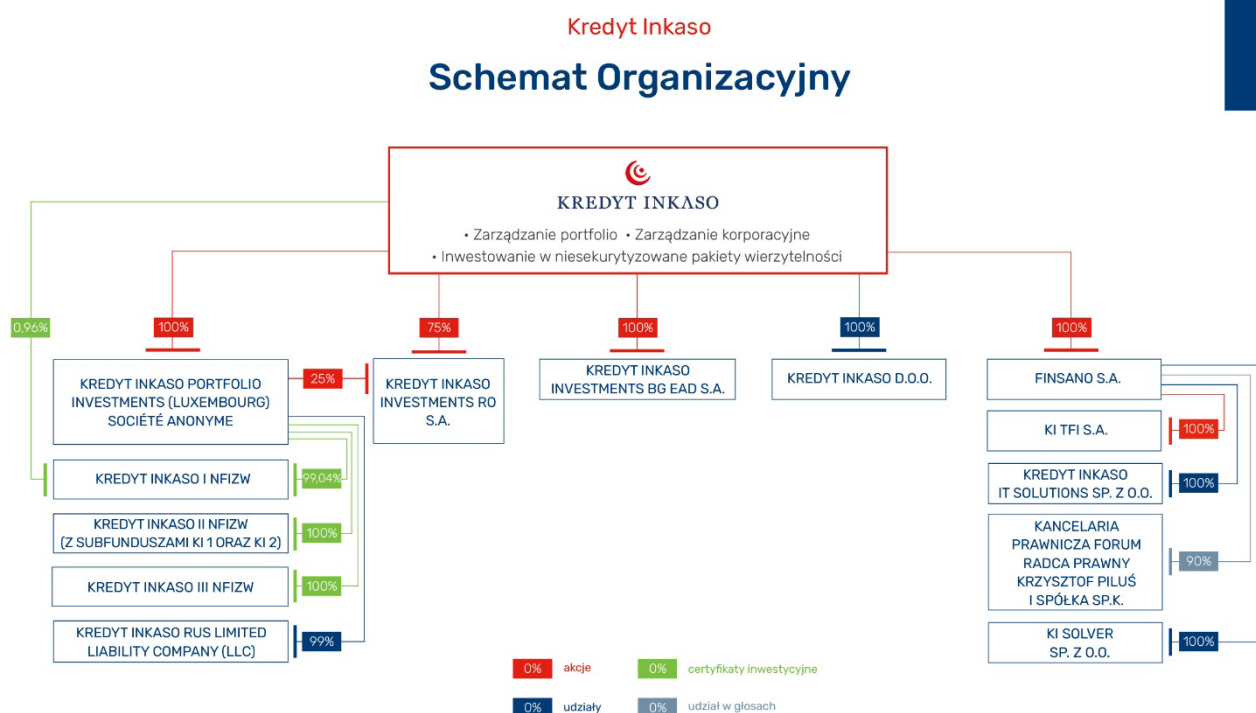
- on 18 January 2024, Daniel Dąbrowski resigned from the Supervisory Board;
- on 30 January 2024, the remaining members of the Company's Supervisory Board appointed Tomasz Karpinski as a member of the Supervisory Board.

Composition of the Supervisory Board as at the Approval Date:

Bogdan Dzudzewicz	Chairman of Supervisory Board
Marcin Okoński	Vice Chairman of Supervisory Board
Tomasz Karpinski	Board Member
Raimondo Eggink	Board Member
Karol Sowa	Board Secretary

Along with the change in the composition of the Supervisory Board, also the composition of its Audit Committee has changed: on 30 January 2024, Tomasz Karpinski joined the Audit Committee as a new member beside Raimondo Eggink and Marcin Okoński (legacy members as at the Approval Date).

1.3. Information about the Capital Group



The above chart shows the organizational structure of the Group as at the balance sheet date.

Due to the entry into force of the act on amendments to certain acts in connection with ensuring the development of the financial market and the protection of investors in the market on 29 September 2023, the investment funds in the Group changed their name from Non-Standardized Closed-end Securitization Investment Funds to Non-Standardized Closed-end Receivables Investment Funds.

Kredyt Inkaso S.A. is the parent company of the Capital Group. The Capital Group comprises: Kredyt Inkaso S.A. – the parent company, and subsidiaries located in Poland, Luxembourg, Romania, Bulgaria, Croatia and Russia.

Name of entity	Seat	Shareholding	Voting rights	Core business
Kancelaria Prawnicza FORUM radca prawny Krzysztof Piluś i spółka Sp.k.	Warsaw, Poland	84%	90%	Legal activities
Finsano S.A.	Warsaw, Poland	100%	100%	Holding activities and the acquisition in the course of debt enforcement proceedings or collection activities of properties, trading in these properties, their development and commercialization
Kredyt Inkaso IT Solutions Sp. z o.o.	Warsaw, Poland	100%	100%	IT service activities
Kredyt Inkaso Investments RO S.A.	Bucharest, Romania	100%	100%	Investing in debt portfolios, servicing debt assets
Kredyt Inkaso Investments BG EAD S.A.	Sofia, Bulgaria	100%	100%	Investing in debt portfolios, servicing debt assets
Kredyt Inkaso RUS Limited Liability Company (LLC)	Moscow, Russia	99%	99%	Investing in debt portfolios, servicing debt assets
Kredyt Inkaso d.o.o.	Zagreb, Croatia	100%	100%	Investing in debt portfolios, servicing debt assets
Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme	Luxembourg	100%	100%	Investing in debt portfolios, investing in securities carrying risk related to debt claims
Kredyt Inkaso I NFIZW	Warsaw, Poland	100%	100%	Investing in debt portfolios

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

Name of entity	Seat	Shareholding	Voting rights	Core business
Kredyt Inkaso II NFIZW	Warsaw, Poland	100%	100%	Investing in debt portfolios
Kredyt Inkaso III NFIZW (formerly AGIO Wierzytelności NSFIZ)	Warsaw, Poland	100%	100%	Investing in debt portfolios
KI Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna	Warsaw, Poland	100%	100%	Creation and management of investment funds
KI Solver Sp. z o.o.	Warsaw, Poland	100%	100%	Servicing of debt portfolio assets

The Group controls the investment funds on the basis of shares entitling it to pass all resolutions at the Investors' Meeting.

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

2.1. Basis for preparation of consolidated financial statements

The Group's interim consolidated financial statements cover nine months ended 31 December 2023 and include:

- comparative figures for the nine months ended 31 December 2022 in the statement of profit and loss, statement of comprehensive income, statement of changes in equity and the statement of cash flows;
- comparative figures as at 31 March 2023 in the statement of financial position;
- current and comparative data for the three months ended 31 December 2023 and 2022, respectively, in the statement of profit or loss, statement of comprehensive income.

The condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all the information that is disclosed in the annual consolidated financial statements prepared in accordance with IFRS. These interim condensed consolidated financial statements should be read in conjunction with the Group's consolidated financial statements for the fiscal year ended 31 March 2023.

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

The interim condensed consolidated financial statements for the reporting period ending 31 December 2023 comprise the financial statements of the Parent and the financial statements of its subsidiaries.

The interim condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of approval of these interim condensed consolidated financial statements for publication, there are no circumstances indicating a threat to the going concern of the companies being part of the Group.

There is no limit to the duration of the operations of the individual Group entities. The financial statements of all subsidiaries for consolidation purposes were prepared for the same reporting period as the Parent's financial statements, using consistent accounting policies.

2.2. Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and related interpretations promulgated in the form of European Commission regulations, as well as requirements relating to issuers of securities admitted or sought to be admitted to trading on an official stock exchange listing market.

2.3. Significant values based on professional judgement and estimates.

In preparing the interim condensed consolidated financial statements, the Parent's Management Board makes estimates, judgements and assumptions regarding the valuation amounts of individual assets and liabilities. Estimates and related

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

assumptions are based on historical experience and other factors considered reasonable. Although estimates are based on the best knowledge of current circumstances, actual results may deviate from these estimates.

2.3.1. Valuation of debt portfolios

Purchased debt portfolios are valued at amortized cost using the effective interest rate method adjusted for credit risk (so-called POCI assets).

The valuation of each debt portfolio is determined by the Group using the estimation method, as the present value of the expected cash inflows generated by the debt portfolio, discounted at an effective interest rate adjusted for credit risk (internal rate of return - IRR). In calculating the effective interest rate adjusted for credit risk, the Group estimates the expected cash flows from a debt portfolio, taking into account expected credit losses. Estimation of projected cash flows is made based on historical cash flows generated by similar debt portfolios. For retail banking and telecommunication packages, estimates include payments received from debtors to the Group's bank accounts and, in the case of secured cases, proceeds from the liquidation of assets on which the Group is secured by mortgage or proceeds from signed settlements are included. Based on historical data, separate repayment curves are built for each type of debt claims.

A portfolio of debt claims is divided into groups, which include homogeneous claims in terms of possible actions and business assumptions. Then, using the model, the repayment for the entire package is calculated. The curve of planned collection costs is linked to the actions that have been taken in the past for the corresponding groups of cases.

2.3.2. Periods of useful life of fixed assets

The Parent's Management Board reviews annually the useful life periods of depreciable fixed assets and their possible impairment at the end of each annual reporting period. Management has assessed that the useful life periods of the assets adopted by the Group for depreciation and amortization purposes reflect the expected period of future economic benefit of the assets and that the assets are not permanently impaired. However, the actual benefit periods of these assets in the future may differ from those assumed, including due to technical obsolescence.

2.3.3. Investment properties

The Group measures investment properties at fair value. The valuation as at the balance sheet date of investment properties reflects their market value and is based on appraisal reports prepared by independent appraisers. The valuation is carried out at least once a year. Change in valuation of property is recognized in correspondence with the income statement.

2.3.4. Impairment relating to goodwill

At least once a year, at the end of the reporting period, the impairment of the goodwill asset is examined.

Any impairment relating to goodwill is recognized in the income statement and is not subject to reversal in subsequent reporting periods.

2.3.5. Deferred income tax assets and liabilities

Deferred income tax assets are determined at the amount expected to be deducted from income tax in the future, due to deductible temporary differences that will reduce the basis for calculating income tax in the future, while observing the prudence principle. Deferred tax liability is recognized in the amount that will increase the future income tax liability due to the existence of positive temporary differences between the carrying amount of assets and liabilities and their tax value. The valuation of deferred income taxes takes into account the income tax rate that, to the best of our knowledge, will apply in the year in which the items are realized. Deferred tax assets related to unused tax losses or unused tax credits are recognized up to the amount to which it is probable that taxable income will be realized.

The Group has control over the realization of temporary differences on investments in subsidiaries, so when assessing the need to establish a deferred tax liability in this regard, it takes into account the likelihood of realization of these temporary differences in the foreseeable future (based on financial plans prepared for a period of 3 years). The value of any deferred tax liability is affected by the level of assumed future cash flows from investment companies to the Company in the foreseeable future. The level of these flows depends on, among other things:

- liquidity needs of the Company and other Group companies, and on acquired and projected available new debt financing for the Company and other Group companies,
- planned expenditures on debt portfolios at individual Group companies,
- planned payments from purchased debt portfolios in Group companies,

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

Accordingly, deferred tax liabilities on taxable temporary differences related to investments in subsidiaries may be subject to significant changes from one reporting period to the next.

2.4. Accounting principles used

These interim condensed consolidated financial statements have been prepared in accordance with the accounting policies that were presented in the Group's most recent consolidated financial statements for the year ended 31 March 2023, except for the first-time application standards described below.

2.4.1. Transactions in foreign currencies

Transactions expressed in currencies other than the Polish zloty are translated into Polish zlotys using the exchange rate of the bank that the Group uses, in effect on the date of the transaction.

Monetary items denominated in foreign currency are valued at the closing rate (immediate realization, execution rate), i.e., at the leading bank's exchange rate from the first quotation on the balance sheet date.

Non-monetary balance sheet items recorded at historical cost expressed in foreign currency are valued at the average exchange rate of the National Bank of Poland (NBP) announced on the day preceding the date of the transaction.

Non-monetary balance sheet items recorded at fair value expressed in foreign currency are valued at the average exchange rate of the National Bank of Poland (NBP) in effect on the date the fair value is determined.

The following exchange rates for major foreign currencies were used in preparing the financial statements:

Reporting period ended 31 December 2023	Average rate	Rate at reporting period end
1 RON	0.9016	0.8742
1 BGN	2.2860	2.2231
1 RUB	0.0463	0.0427
1 EUR	4.4710	4.3480

Reporting period ended 31 December 2022	Average rate	Rate at reporting period end
1 RON	0.9537	0.9475
1 BGN	2.4041	2.3979
1 RUB	0.0747	0.0618
1 HRK	0.6240	0.6224
1 EUR	4.7020	4.6899

2.4.2. Operating segments

An operating segment is part of the entity:

- which engages in business activities in connection with which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the entity's chief operating decision maker and used in making decisions about resources allocated to the segment and when evaluating the segment's performance; and
- for which separate financial information is available.

The Group's operations were divided into operating segments based on the criterion of the market for the purchase of debt portfolios, i.e. the geographic location of debtors:

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

- Poland,
- Romania,
- Russia,
- Bulgaria,
- Other locations and areas that are a reconciliation item not assigned to separate segments.

Segment revenues are revenues generated from debt collection activities that are reported in the consolidated statement of comprehensive income and are directly attributable to the segment.

Segment costs are the costs of debt collection activities that are directly attributable to a particular segment and, in the case of Poland, are the costs of central administrative services provided to both the Poland segment and the other segments (e.g., personnel, accounting, financial controlling, IT services). The segment result is determined at the level of operating result.

Segment assets are operating assets used by the segment in its operations that are directly attributable to the segment - in practice, these are purchased debt claims assigned to specific geographic locations based on the criterion of the market for the purchase of the debt portfolio. All other assets of the Group other than those listed above are presented under "Other."

The Group has an asymmetric allocation in terms of depreciation expense, i.e., depreciation expense is allocated to the operating expenses of each segment, while the fixed assets and intangible assets to which this depreciation relates are not allocated to the assets of these segments. Central costs are entirely allocated to Poland due to the exercise of these central functions by organizational units in Poland. As these units simultaneously perform local and central functions, it is impossible to precisely separate the functions pertaining to the remaining locations and allocate them to the other segments.

Income, result and assets of segments are determined after the exclusion of inter-segment transactions.

2.4.3. Cash flow statement

The Group prepares a cash flow statement using the indirect method. Operating activities disclose cash flows related to the Group's acquired debt portfolios.

2.5. Standards applied for the first time in the statements

The financial statements incorporate the requirements of all EU-approved standards and related interpretations except for the standards and interpretations listed below, which are either pending EU approval or have been approved by the EU but have entered or will not enter into force until after the balance sheet date. During the period under review, the Group did not take advantage of the possibility of early application of standards and interpretations that have been approved by the EU, but have entered or will enter into force only after the balance sheet date.

The following amendments to existing standards, interpretations issued by the International Accounting Standards Board (IASB) and endorsed for use in the EU become effective for the first time in the Group's financial statements in 2023/24:

- IFRS 17 "Insurance Contracts" - first-time Adoption 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 IFRS Practice Statement 2 'Disclosure of Accounting Policies' (applicable to annual periods beginning on or after 1 January 2023);
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"- definition of estimates (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 12 "Income Taxes" - deferred tax on an asset and liability recognized as a result of a single transaction (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IFRS 17 "Insurance Contracts" - deferral of application and exclusion of certain products (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 12 "Income Taxes" - international Tax Reform (effective for annual periods beginning on or after 1 January 2023).

The aforementioned new or amended standards and interpretations that are applied for the first time do not have a material impact on the Group's financial statements.

2.6. New standards and amendments to existing standards that have already been adopted by the EU but not yet approved for use by the EU

- Amendments to IAS 1 "Presentation of Financial Statements" - Classification of liabilities as current and non-current and Non-current liabilities with covenants (effective for annual periods beginning on or after 1 January 2024),

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

- Amendments to IFRS 16 "Leases" - lease liability in sale-leaseback transactions, issued on 22 September 2022 (effective for annual periods beginning on or after 01 January 2024).

2.7. New standards and amendments to existing standards that have already been adopted by the IASB but not yet approved for use by the EU

- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 (Amendment) "Financial Instruments: Disclosures" - Additional disclosure requirements (effective for annual periods beginning on or after 1 January 2024).
- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - non-exchangeability (effective for annual periods beginning on or after 1 January 2025).

2.8. Changes in significant accounting policies and error adjustments

The same accounting policies have been applied in the preparation of these interim condensed consolidated financial statements as in the most recent annual consolidated financial statements which were prepared as at and for the reporting year ending 31 March 2023.

In the preparation of these interim condensed consolidated financial statements, no correction of prior period errors or significant changes in estimates were made.

3. Operating segments

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

01/04/2023-31/12/2023	Poland	Romania	Russia	Bulgaria	Other	Total
Net income	130,219	33,932	12,057	19,276	(344)	195,140
Total operating expenses, including:	(89,970)	(19,468)	(4,529)	(6,991)	(3,661)	(124,619)
- depreciation	(5,442)	(199)	(2)	(357)	(457)	(6,457)
Segment operating result	40,249	14,464	7,528	12,285	(4,005)	70,521
Financial income						2,722
Financial costs						(40,971)
Profit before taxation						32,272
Income tax						(2,812)
Net profit						29,460

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

01/10/2023-31/12/2023	Poland	Romania	Russia	Bulgaria	Other	Total
Net income	41,340	10,585	3,498	6,385	152	61,960
Total operating expenses, including:	(32,314)	(7,730)	(1,453)	(2,538)	(1,399)	(45,434)
- depreciation	(1,852)	(78)	(1)	(115)	(158)	(2,204)
Segment operating result	9,026	2,855	2,045	3,847	(1,247)	16,526
Financial income						1,101
Financial costs						(16,943)
Profit before taxation						684
Income tax						319
Net profit						1,003

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

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

01/04/2022-31/12/2022	Poland	Romania	Russia	Bulgaria	Other	Total
Net income	104,667	19,862	18,154	10,645	395	153,723
Total operating expenses, including:	(78,985)	(13,774)	(8,620)	(6,800)	(3,266)	(111,445)
- depreciation	(4,670)	(103)	(4)	(392)	(466)	(5,635)
Segment operating result	25,682	6,088	9,534	3,845	(2,871)	42,278
Financial income						8,182
Financial costs						(30,541)
Profit before taxation						19,919
Income tax						(3,990)
Net profit						15,929

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

01/10/2022-31/12/2022	Poland	Romania	Russia	Bulgaria	Other	Total
Net income	30,998	8,018	6,891	4,034	607	50,548
Total operating expenses, including:	(29,242)	(5,161)	(2,704)	(2,425)	(904)	(40,436)
- depreciation	(1,623)	(53)	(1)	(124)	(155)	(1,956)
Segment operating result	1,756	2,857	4,187	1,609	(297)	10,112
Financial income						1,578
Financial costs						(11,484)
Profit before taxation						206
Income tax						405
Net profit						611

	Poland	Romania	Russia	Bulgaria	Other	Total
As at 31.12.2023						
Segment assets*	551,690	120,840	228	32,678	127,652	833,088
As at 31.03.2023						
Segment assets*	464,518	96,916	421	31,798	102,762	696,415

(*) Segment assets in segments other than the "Other" segment represent only debt portfolios

The Group's revenue from payments from external customers by geographic area is shown below.

Payments from debtors by geographic area	01/04/2023-31/12/2023	01/10/2023-31/12/2023	01/04/2022-31/12/2022	01/10/2022-31/12/2022
Poland	189,859	58,398	160,263	52,872
Romania	40,157	12,976	34,746	12,686

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

Payments from debtors by geographic area	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023	01/04/2022- 31/12/2022	01/10/2022- 31/12/2022
Russia	10,274	3,530	22,893	6,991
Bulgaria	17,210	6,043	16,052	5,794
Croatia	251	67	199	55
Total	257,751	81,014	234,153	78,398

The Group has not identified leading customers with whom it realizes individual sales revenues exceeding the level of 10% of total sales revenues.

4. Net income

4.1. Debt portfolios revaluation

Debt portfolios revaluation	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023	01/04/2022- 31/12/2022	01/10/2022- 31/12/2022
Verification of the forecast	18,968	16,346	(3,758)	(2,106)
Deviations of actual payments from projected payments	61,528	6,592	65,581	23,606
Extension of projected recoveries	823	270	904	293
Change in exchange rate	(3,083)	(2,448)	725	(1,936)
Total	78,236	20,760	63,452	19,857

Debt portfolios revaluation includes the following components:

- (1) Review of the repayment forecast:
 - (a) updating recovery curves in future periods, taking into account historical realization of recoveries and recovery plans derived from statistical models;
 - (b) for secured packages - the postponement and/or change in the value of projected receipts for secured cases;
- (2) Deviation of actual payments from projected payments - the difference for the reporting period between the actual payments of debtors and the projected payments in the recovery curves, which were the basis for the valuation of debt portfolio using the method of discounted cash flows from debt portfolios;
- (3) Extension of forecasted recoveries - extension of the forecast of recoveries from debt portfolios for a further period in order to maintain the standard 15-year horizon for estimating recoveries;
- (4) Exchange rate changes - the impact of changes in exchange rates on debt portfolios denominated in foreign currencies.

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

4.2. Other income/expenses

Other income/expenses	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023	01/04/2022- 31/12/2022	01/10/2022- 31/12/2022
Income from debt portfolio management*	1,645	489	2,090	719
Net income from property sales and acquisitions	(180)	11	(1,155)	23
Other income**	2,166	14	689	431
Costs (creation)/dissolution of provision for overpayments	(2)	6	5	3
Total	3,629	520	1,629	1,176

(*) After the balance sheet date, certain third-party debt management contracts were terminated in Poland – these contracts accounted for approximately PLN 650 thousand of the Group's revenue in the nine months ended 31 December 2023.

(**) Other income in the current reporting period includes, in particular, revenue from the release of PLN 1.9 m (nearly) provision that had been opened in connection with an official tax inspection of KI RUS.

5. Operating expenses

Costs by type	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023	01/04/2022- 31/12/2022	01/10/2022- 31/12/2022
Salaries, social security and other benefits	44,898	16,418	39,573	14,071
Third-party services	37,032	13,207	32,437	10,996
Court and enforcement fees	30,715	11,565	29,259	11,521
Depreciation	6,457	2,204	5,635	1,956
Taxes and fees	1,700	756	1,284	619
Consumption of materials and energy	1,786	657	1,561	596
Other costs by type	2,031	627	1,696	677
Total	124,619	45,434	111,445	40,436

6. Financial income and costs

Financial income	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023	01/04/2022- 31/12/2022	01/10/2022- 31/12/2022
Interest income on financial assets measured at amortized cost	2,606	991	1,552	604
Interest income on derivative financial instruments	110	110	6,331	2,726
Ineffective part of financial risk hedging	-	-	67	-
Positive exchange differences	-	-	232	(1,747)
Other financial income	6	-	-	(5)

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

Financial income	01/04/2023-31/12/2023	01/10/2023-31/12/2023	01/04/2022-31/12/2022	01/10/2022-31/12/2022
Total	2,722	1,101	8,182	1,578

Financial costs	01/04/2023-31/12/2023	01/10/2023-31/12/2023	01/04/2022-31/12/2022	01/10/2022-31/12/2022
Interest cost on financial liabilities	33,175	11,837	26,538	9,622
Other interest, including	1,488	450	769	331
on account of lease liabilities	1,029	311	664	285
Interest expense on derivative financial instruments	-	-	-	-
Ineffective part of financial risk hedging	-	-	3,205	1,502
Other financial costs	472	60	29	29
Negative exchange differences	5,836	4,596	-	-
Total	40,971	16,943	30,541	11,484

7. Income tax

	01/04/2023-31/12/2023	01/10/2023-31/12/2023	01/04/2022-31/12/2022	01/10/2022-31/12/2022
Concerning the current year	(3,670)	(1,222)	(4,734)	291
Concerning previous years	-	-	(417)	-
Current income tax	(3,670)	(1,222)	(5,151)	291
Concerning the current year	858	1,541	1,161	114
Deferred tax transferred from capital to result	-	-	-	-
Deferred income tax	858	1,541	1,161	114
Total tax cost recognized in the current year	(2,812)	319	(3,990)	405

Tax rates applied by Group companies	01/04/2023-30/09/2023	01/04/2022-30/09/2022
Poland	19%*	19%
Romania	16%	16%
Bulgaria	10%	10%
Luxembourg	29%	29%
Russia	20%	20%
Croatia	12%	10%

(*) Kancelaria Prawnicza FORUM radca prawny Krzysztof Piliś i spółka Sp.k., Finsano S.A., KI Solver sp. z o.o. and KI Towarzystwo Funduszy Inwestycyjnych S.A. settle tax at a rate of 9%.

The Group's profits are generated in particular through closed-end investment funds, whose income is exempt from corporate income tax.

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023	01/04/2022- 31/12/2022	01/10/2022- 31/12/2022
Profit before taxation	32,272	684	19,919	206
Cost of income tax at the rate of 19%	(6,132)	(130)	(3,785)	(39)
Difference between the applicable tax rates and the 19% rate	1,560	480	562	1,502
Non-taxable income	21,941	6,618	17,241	(3,048)
Tax revenues that are not accounting revenues	(1)	-	(716)	(683)
Non-deductible costs	(20,992)	(7,627)	(18,567)	1,960
Tax loss to be settled	-	-	-	-
Activation/ (Write-off) of asset on losses/tax credits	1,128	1,041	1,630	653
Tax effect of changing the tax rate	-	-	-	(121)
Repayable advances paid	(32)	(32)	-	33
Adjustments of past periods deferred tax	1	-	-	-
Adjustments for past periods' current tax	-	-	(417)	(417)
Tax costs that are not accounting costs	-	-	99	99
Revaluation of deferred income tax asset/reserve	(289)	(32)	-	-
Other items affecting the tax burden	4	1	(37)	466
Income tax cost recognized in current period result	(2,812)	319	(3,990)	405

8. Other financial assets

Within other financial assets, the Group presents the following investments:

	31/12/2023		31/03/2023	
	Short-term assets	Long-term assets	Short-term assets	Long-term assets
Debt instruments	-	-	801	-
Financial assets at fair value through profit or loss	-	-	317	-
Total	-	-	1,118	-

In the nine months ended 31 December 2023, Fortunato S.A. bonds (face value PLN 800 thousand) were redeemed in full, the investment in AIF Management Services S.A. was revaluated leading to a write-down (approx. PLN 230 thousand), and the value of Agio Plus 2 NFIZW investment certificates was written off (approx. PLN 85 thousand).

9. Purchased debt claims

Types of debt portfolios	31/12/2023	31/03/2023
Retail banking	327,795	282,024
Telecommunications	258,099	193,842
Consumer loans	97,112	78,610
Mortgages	12,605	24,110
Corporate	9,766	14,987
Insurance	256	318
Other	28	17

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

Types of debt portfolios	31/12/2023	31/03/2023
Total	705,661	593,908

Change in debt portfolios	01/04/2023-31/12/2023	01/04/2022-31/12/2022
Opening balance	593,908	575,287
Purchase of debt portfolios	185,161	76,218
Sale of debt portfolios	-	-
Revaluation	78,236	63,452
Foreign exchange differences on translation	(7,168)	1,932
Payments from debtors	(257,751)	(234,153)
Interest income on debt portfolios	113,275	88,642
Closing balance	705,661	571,378

Nominal value of estimated remaining collections (ERC) for discount rate ranges:	31/12/2023	31/03/2023
below 25%	674,130	590,597
25% - 50%	651,119	503,455
above 50%	174,706	135,778

10. Receivables and loans

	31/12/2023	31/03/2023
Fixed assets		
Receivables	260	464
Current assets		
Trade and other receivables	8,344	9,400
Loans	-	-

As at the balance sheet date, allowances include other receivables and consist of the following:

- PLN 971 thousand allowance for reimbursement of court costs related to court enforcement of debt claims, PLN 1,341 thousand at the end of the comparative period,
- PLN 551 thousand allowance for receivables sought in court by the Group, PLN 596 thousand at the end of the comparative period,
- PLN 407 thousand allowance for other receivables, PLN 288 thousand at the end of the comparative period.

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

11. Deferred income tax assets and liabilities

Deferred income tax	31/12/2023	31/03/2023
Balance at beginning of year before offsetting:		
Deferred income tax assets	10,295	3,131
Deferred income tax provision	(11,333)	(10,545)
Change in during the period affecting:		
Profit and loss account (+/-)	858	6,033
Other comprehensive income (+/-)	181	343
Deferred tax at the end of the period before offsetting:		
Deferred income tax assets	9,375	10,295
Deferred income tax provision	(9,374)	(11,333)

	31/03/2023	Change in profit and loss account	Change in other comprehensive income	31/12/2023
Deferred income tax assets				
Property, plant and equipment - right to use	78	64	-	142
Investment properties	28	(12)	-	16
Provisions for employee benefits	738	(149)	-	589
Other provisions	428	(123)	-	305
Borrowings, other debt instruments, derivatives	116	272	181	569
Other liabilities	1,505	118	-	1,623
Unrecovered tax losses	7,395	(1,555)	-	5,840
Other assets	7	645	-	652
Write-down of deferred tax assets		(361)		(361)
Total	10,295	(1,101)	181	9,375
Compensation	(9,619)			(8,880)
Total deferred tax assets reported in the statement of financial position	676			495

Deferred income tax provisions				
Property, plant and equipment and intangible assets	588	76	-	664
Investment properties	-	(53)	-	(53)
Purchased debt claims	6,891	261	-	7,152
Credits, loans, other debt instruments	34	(8)	-	26
Receivables and loans, valuation of financial assets	3,813	(2,839)	-	974
Other assets	7	604	-	611
Total	11,333	(1,959)	-	9,374

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

	31/03/2023	Change in profit and loss account	Change in other comprehensive income	31/12/2023
Compensation	(9,619)			(8,880)
Total deferred income tax provisions reported in the statement of financial position	1,714			494

	31/03/2022 converted	Change in profit and loss account	Change in other comprehensive income	31/03/2023
Deferred income tax assets				
Property, plant and equipment - right to use	67	11	-	78
Investment properties	-	28	-	28
Provisions for employee benefits	1,004	(266)	-	738
Other provisions	307	121	-	428
Borrowings, other debt instruments, derivatives	286	(513)	343	116
Other liabilities	744	761	-	1,505
Unrecovered tax losses	626	6,769	-	7,395
Other assets	96	(89)	-	7
Total	3,131	6,821	343	10,295
Compensation	(2,447)			(9,619)
Total deferred tax assets reported in the statement of financial position	684			676

Deferred income tax provisions				
Property, plant and equipment and intangible assets	673	(85)	-	588
Investment properties	274	(274)	-	-
Purchased debt claims	7,713	(822)	-	6,891
Credits, loans, other debt instruments	-	34	-	34
Receivables and loans, valuation of financial assets	1,771	2,042	-	3,813
Other assets	114	(107)	-	7
Total	10,545	788	-	11,333
Compensation	(2,447)			(9,619)
Total deferred income tax provisions reported in the statement of financial position	8,098			1,714

12. Financial instruments

The following table classifies financial instruments and compares the carrying value of financial instruments with their fair value.

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand).

The table below also shows financial assets and liabilities measured by the Group at fair value, categorized in a specific level in the fair value hierarchy:

- level 1 - quoted prices (without adjustments) from active markets for identical assets and liabilities,
- level 2 - inputs to the valuation of assets and liabilities, other than quoted prices included in Level 1, observable on the basis of variables from active markets,
- level 3 - inputs to the valuation of assets and liabilities, undetermined based on variables derived from active markets.

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023
 (data in PLN thousand)

	Carrying value 31/12/2023				Fair value 31/12/2023			
	FVTPL	FVOCI	Amor. cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Fixed assets								
Receivables and loans	-	-	260	260	-	-	260	260
Current assets								
Trade and other receivables	-	-	8,344	8,344	-	-	8,344	8,344
Purchased debt claims	-	-	705,661	705,661	-	-	650,459	650,459
Other short-term financial assets - debt securities	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	76,237	76,237	-	-	76,237	76,237
Financial liabilities								
Long-term liabilities								
Credits, loans, other debt instruments	-	-	351,193	351,193	198,501	-	160,195	358,696
Lease obligations	-	-	9,818	9,818	-	-	9,818	9,818
Current liabilities								
Credits, loans, other debt instruments	-	-	88,269	88,269	22,385	-	64,275	86,660
Lease obligations	-	-	3,147	3,147	-	-	3,147	3,147

FVTPL - Financial instruments at fair value through profit or loss

FVOCI - Financial instruments at fair value through other comprehensive income

Amor. cost - Financial instruments measured at amortized cost

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023
 (data in PLN thousand)

	Carrying value 31/03/2023				Fair value 31/03/2023			
	FVTPL	FVOCI	Amor. cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Fixed assets								
Receivables and loans granted	-	-	464	464	-	-	464	464
Current assets								
Trade and other receivables	-	-	9,400	9,400	-	-	9,400	9,400
Purchased debt claims	-	-	593,908	593,908	-	-	505,146	505,146
Other short-term financial assets - debt securities	-	-	801	801	-	-	801	801
Other short-term financial assets - shares or stocks	317	-	-	317	-	-	317	317
Cash and cash equivalents	-	-	45,640	45,640	-	-	45,640	45,640
Financial liabilities								
Long-term liabilities								
Borrowings and other debt instruments	-	-	258,439	258,439	117,449	-	141,417	258,866
Lease obligations	-	-	11,472	11,472	-	-	11,472	11,472
Current liabilities								
Borrowings and other debt instruments	-	-	61,333	61,333	16,754	-	42,709	59,463
Lease obligations	-	-	3,072	3,072	-	-	3,072	3,072

FVTPL - Financial instruments at fair value through profit or loss

FVOCI - Financial instruments at fair value through other comprehensive income

Amor. cost - Financial instruments measured at amortized cost

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023.
(data in PLN thousand)

The Group measures bond liabilities at amortized cost. The fair value of these bonds, which are listed on an active market, was estimated based on the closing price of Catalyst listings as at the balance sheet date, plus accrued interest.

The Group has not reclassified financial assets that would result in a change in the valuation principles for these assets between fair value or the amortized cost method.

The Group also did not reclassify financial assets between levels in the fair value hierarchy.

13. Equity

13.1. Share capital

	31/12/2023	31/03/2023
Number of shares	12,897,364	12,897,364
Nominal value of shares (in PLN)	1.00	1.00
Share capital (in PLN)	12,897,364	12,897,364

All shares are ordinary shares, with no preference and no limitation on share rights.

13.2. Shareholding structure of Kredyt Inkaso S.A.

As at the date of approval of these interim condensed consolidated financial statements, the Parent's shareholder structure is as follows:

	Total shares	Shareholding (%)	Total voting rights	Voting rights (%)
WPEF VI Holding 5 B.V. (*)	7,929,983	61.49%	7,929,983	61.49%
BEST S.A.	4,267,228	33.09%	4,267,228	33.09%
BEST Capital FIZAN	7,000	0.05%	7,000	0.05%
Other shareholders	693,153	5.37%	693,153	5.37%
Total	12,897,364	100.00%	12,897,364	100.00%

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

13.3. Summary of shareholdings or entitlements to shares by management and supervisory personnel

As at the balance sheet date (31 December 2023) and the Approval Date, none of the members of the Management Board or the Supervisory Board held any shares of the Company or any other interest entitling to them.

13.4. Distribution of the Parent's result for 2022/2023

On 21 September 2023, the Company's Ordinary General Meeting of Shareholders was held, at which a resolution was adopted to allocate the profit for 2022/2023 in the amount of PLN 5,034 thousand in full to the Company's statutory reserve.

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

No new series of shares were issued during the period covered by this report.

Interim condensed consolidated financial statements for the 9-month period ended 31.12.2023.
(data in PLN thousand)

Net income (loss) per ordinary share is calculated in the same way for each share. Shares do not differ in their right to share in net profit.

Basic earnings per share is calculated using the formula net income attributable to shareholders of the parent divided by the number of common shares outstanding during the period. The calculation of earnings per share is presented below:

	01/04/2023-31/12/2023	01/04/2022-31/12/2022
Weighted average number of common shares (in thousands)	12,897	12,897
Impact of treasury shares	-	-
Weighted average number of common shares (in thousands)	12,897	12,897
Net profit (loss) attributable to shareholders of the Parent	28,706	15,168
Basic earnings (loss) per share (PLN)	2.23	1.18
Diluted earnings (loss) per share (PLN)	2.23	1.18

There were no discontinued operations in the current and comparative reporting periods.

There were no instruments diluting earnings per share in the Group in the current and comparative reporting period.

14. Borrowings and other debt instruments

	31/12/2023		31/03/2023	
	Current liabilities	Long-term liabilities	Current liabilities	Long-term liabilities
Borrowings, including:	58,667	128,139	34,317	105,180
- credit card liabilities	15	-	14	-
Debt securities	29,602	223,054	27,016	153,259
Total	88,269	351,193	61,333	258,439

14.1. Borrowings

Status of borrowings as at the balance sheet date.

Instrument	Currency	Interest rate	The date when the obligation arises	Maturity date	Current liabilities	Long-term liabilities	Total
Kredyt ING Bank Śląski S.A.	PLN	WIBOR 3M + margin	2017-11-23	2032-12-31	22,513	52,988	75,501
Kredyt ING Bank Śląski S.A.	PLN	WIBOR 3M + margin	2018-05-21	2032-12-31	36,139	75,151	111,290
Total					58,652	128,139	186,791

Status of borrowings as at the comparative balance sheet date.

Instrument	Currency	Interest rate	The date when the obligation arises	Maturity date	Current liabilities	Long-term liabilities	Total
Kredyt ING Bank Śląski S.A.	PLN	WIBOR 3M + margin	2017-11-23	2032-12-31	12,033	28,235	40,268
Kredyt ING Bank Śląski S.A.	PLN	WIBOR 3M + margin	2018-05-21	2032-12-31	22,270	76,945	99,215
Total					34,303	105,180	139,483

The maturity date of the credit facilities made available by ING Bank Śląski S.A. is the expiration date of the credit facility agreement, namely 31 December 2032. The maturity date for each individual tranche under the available line of credit is 60 months.

Kredyt Inkaso I NFIZW and Kredyt Inkaso II NFIZW may utilise the finance under the credit facilities for the purpose of purchasing debt portfolios.

According to the credit facility agreement, the bank will provide Kredyt Inkaso I NFIZW and Kredyt Inkaso II NFIZW with funds up to PLN 200,000 thousand.

The line of credit is made available in annual periods ending 31 December which are automatically extended for subsequent annual periods unless the bank or the funds notify on at least 35 days before the deadline that they do not wish to continue the credit line. The maximum date up to to which the utilisation end date can be extended is the expiration date of the credit facility agreement, namely 31 December 2032.

The credit facilities are uncommitted and the bank has no obligations under the agreements, with any applications for the utilisation of the lines of credit requiring a prior approval from the bank. The credit facility liabilities are secured - see Note 18.3.

On 13 June 2023, Kredyt Inkaso S.A. concluded an overdraft agreement with ING Bank Śląski S.A. in the amount of PLN 10,000 thousand plus a line of guarantees up to PLN 449,170.39. The line of credit is made available for one year ending on 31 December and such annual period is then automatically extended for another period of one year, unless the bank or the borrower submits a termination notice on at least 35 days before the expiry date. The maximum date up to to which the utilisation end date can be extended is the expiration date of the credit facility agreement, namely 31 December 2033. The interest rate on the overdraft is variable: 1.5% margin plus WIBOR 1M. The interest rate on the line of guarantees is 2.4% per annum and is calculated on the amounts under the currently issued guarantees. The credit facility is uncommitted and the bank has no obligations under the loan agreement, and the utilisation of such credit facilities requires the bank's prior approval. The credit facility liabilities are secured by a corporate guarantee provided to the bank by a subsidiary of Kredyt Inkaso Investments BG EAD.

14.2. Bonds issued

Figures as at the end of the current reporting period.

Series of bonds	Interest rate	The date when the obligation arises	Maturity date	Nominal value	Short-term	Long-term	Carrying value
H1	Fixed, 6%	2021-10-22	2025-10-19	3,667	124	3,472	3,596
J1	WIBOR 3M+4.9%	2022-03-28	2029-03-28	37,631	5,750	31,274	37,024
K1	WIBOR 6M+4.9%*	2022-03-28	2029-03-28	94,417	20,026	75,497	95,523
I1	WIBOR 3M+4.9%	2022-04-19	2025-10-23	17,010	709	16,219	16,928
L1	WIBOR 3M+4.7%	2022-08-05	2026-07-27	15,679	502	14,870	15,372
M1	WIBOR 3M+5.5%	2023-04-14	2027-04-14	15,000	475	14,410	14,885
N1	WIBOR 3M+5.5%	2023-07-13	2027-07-13	18,000	586	17,220	17,806
O1	WIBOR 6M+ 5.5%	2023-10-04	2027-10-04	37,741	1,284	35,705	36,989
P1	WIBOR 3M+5.5%	2023-12-05	2027-11-28	15,000	146	14,387	14,533
Total				254,145	29,602	223,054	252,656

(*) first interest period WIBOR 6M+5.3%

Key dates related to the issued bonds, including events after the balance sheet date.

Date:	
14 April 2023	Issue of series M1 bearer bonds, total face value PLN 15,000 thousand
28 June 2023	The Company party repaid the face value of series J1 bonds (PLN 2,787 thousand) in line with the timetable specified in WEO
13 July 2023	Issue of series N1 bearer bonds, total face value PLN 18,000 thousand
28 September 2023	The Company party repaid the face value of series J1 bonds (PLN 2,787 thousand) in line with the timetable specified in WEO
28 September 2023	The Company party repaid the face value of series K1 bonds (PLN 8,583 thousand) in line with the timetable specified in WEO
04 October 2023	Issue of series O1 bearer bonds, total face value PLN 37,741 thousand
05 December 2023	Issue of series P1 bearer bonds, total face value PLN 15,000 thousand
7 February 2024	Issue of series R1 bearer bonds, total face value PLN 20,000 thousand

On 16 February 2023, the Polish Financial Supervision Authority (KNF) approved the base prospectus for the bonds issue programme up to PLN 100 million.

In April 2023, the Parent issued series M1 bonds, total face value PLN 15 million. The series M1 bonds were admitted to trading on the Warsaw Stock Exchange regulated market on 14 April 2023, with the first listing day set for 18 April 2023.

On 13 July 2023, series N1 bonds, total face value PLN 18 million, were registered in the Polish Central Securities Depository (KDPW). As such, they were admitted to trading on the Warsaw Stock Exchange regulated market on 13 July 2023.

On 4 October 2023, series O1 bonds, total face value PLN 37,741 thousand, were registered in the Polish Central Securities Depository (KDPW). On 10 October 2023, the bonds were admitted to trading on the Warsaw Stock Exchange's alternative bonds trading market called Catalyst.

On 5 December 2023, series P1 bonds, total face value PLN 15 million, were registered in the Polish Central Securities Depository (KDPW). As such, they were admitted to trading on the Warsaw Stock Exchange regulated market on 5 December 2023.

On 7 February 2024, series R1 bonds, total face value PLN 20 million, were registered in the Polish Central Securities Depository (KDPW). As such, they were admitted to trading on the Warsaw Stock Exchange regulated market on 7 February 2024.

During the reporting period, there were no violations of covenants under the bonds issued. As at the Approval Date, there have been no defaults in the repayment of principal or interest on the bonds or violations of other terms and conditions of the issues.

Figures as at the end of the previous reporting period.

Bonds series	Interest rate	Start date	Maturity date	Face value	Short-term notes	Long-term notes	Carrying value
H1	fixed, 6%	2021-10-22	2025-10-19	3,667	122	3,428	3,550
J1	WIBOR 3M+4.9%	2022-03-28	2029-03-28	44,599	8,547	35,320	43,867
K1	WIBOR 6M+4.9%*	2022-03-28	2029-03-28	103,000	17,560	83,745	101,305
I1	WIBOR 3M+4.9%	2022-04-19	2025-10-23	17,010	260	16,035	16,295
L1	WIBOR 3M+4.7%	2022-08-05	2026-07-27	15,679	527	14,731	15,258
Total				183,955	27,016	153,259	180,275

(*) first interest period WIBOR 6M+5.3%

14.3. Cashpooling

On 23 April 2019, an agreement for the provision of liquidity management services in the form of daily limits was concluded between ING Bank and Group entities ("cashpool"). The interest rate on cashpool transactions is variable and is WIBOR 6M +4.9%.

Cashpool balances are shown in the table below:

	31/12/2023	31/03/2023
Kredyt Inkaso S.A.*	(38,664)	(36,610)
Finsano S.A.	41,198	36,343
Kancelaria Prawnicza Forum Radca Prawny Krzysztof Piliś i Spółka sp.k.	2,781	3,201
Kredyt Inkaso IT Solutions Sp. z o.o.	(6,166)	(3,806)
KI Solver Sp. z o.o.	851	872
Total	-	-

(*) Funds accumulated in the main liquidity account of the cashpool organizer

15. Financial risk management

During the reporting period, the Group did not recognize any significant changes in financial risks, nor did it change its objectives and principles for managing these risks compared to those described in the consolidated annual financial statements for fiscal year 2022/2023.

15.1. Derivative hedging instruments

At the balance sheet date, the Group has open hedging positions. The Group has entered into a derivative transaction to hedge its interest rate risk (IRS) and now the Group pays at a fixed rate but receives funds at a floating rate.

Such float-to-fixed IRS transaction, in a currency consistent with the hedged item, is designed to hedge cash flows. In that transaction, the Group:

- pays interest on the nominal amount of the transaction based on a fixed rate,
- receives interest on the nominal amount of the transaction based on a floating reference rate.

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

- compatibility of the nominal values 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 its issued bonds. The Group assessed the economic link prospectively, with the frequency indicated in the underlying document.

Instrument	Face value	Face value amortised?	Effective period	Initial rate (fixed rate)	Hedged parameter (floating rate)	Assets	Liabilities	Item in Statement of Financial Position	Change in fair value
IRS	94,417	Yes - consistent with amortisation of K1 bonds face value	31/10/2023-28/03/2029	4.96%	WIBOR 6M	-	841	Derivative financial instruments	(841)

Impact of hedging instruments on the Group's statement of financial position

The amount of interest transferred from other comprehensive income is moved to Financial income (interest income on derivative financial instruments) or to Financial expenses (interest expense on derivative financial instruments).

	01/04/2023-31/12/2023	01/04/2022-31/12/2022
Payments from settlement of hedging transactions included in cash flow statement	-	4,775
Hedging gains or losses for the reporting period recognized in other comprehensive income	(841)	4,569
Ineffective portion of the hedge recognized in the income statement	-	(3,138)
Total	(841)	6,206

	01/04/2023-31/12/2023	01/04/2022-31/12/2022
Revaluation reserve at the beginning of the period	-	1,468
Impact of valuation of hedging transactions (effective portion)	(841)	4,569
Amount of interest transferred during the period from other comprehensive income to the income statement	(110)	(6,331)
Income tax	181	335
Revaluation reserve at the end of the period	(770)	41

After the balance sheet date, on 31 January 2024, the Group entered into another IRS transaction for PLN 36,237 thousand to swap a floating interest rate (based on WIBOR 3M) to a fixed interest rate (4.625%). The maturity of this instrument falls on 28 March 2029. The instrument hedges 100% of the cash flows arising from the series J1 bond schedule. The face value will be amortized from 28 March 2024 to 28 March 2029, in accordance with the amortization schedule for the series J1 bonds.

16. Capital management

The Group manages capital in order to maintain its ability to continue its operations, taking into account the implementation of planned investments, so that it can generate returns for shareholders and benefit other stakeholders.

The most important ratio that the Group uses to monitor equity and debt levels is the ratio of consolidated net financial debt/consolidated equity.

Net financial debt is calculated as financial debt less cash. Financial debt is defined as liabilities from borrowings and other sources of finance, as well as guarantees and leases. For the purpose of calculating covenants on certain series of bonds issued by the Company, the negative valuation of derivatives is also included in the value of financial debt.

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

	31/12/2023	31/03/2023
Borrowings and other debt instruments	439,462	319,772
Leasing	12,965	14,544
minus: cash and cash equivalents	(76,237)	(45,640)
Net financial debt	376,190	288,676
Equity	347,976	323,037

	31/12/2023	31/03/2023
Net financial debt/equity ratio	1.08	0.89

17. Information on significant transactions with related parties

17.1. Transactions with related parties

17.1.1. Commercial transactions

The Group has entered into the following business transactions with related parties:

	01/04/2023-31/12/2023		01/04/2022-31/12/2022	
	Income	Cost	Income	Cost
Costs of consulting services				
WPEF VI HOLDING 5 B.V.	-	201	-	212
Total (net amounts)	-	201	-	212

Consulting services are provided under the Company's agreement with WPEF VI HOLDING V B.V. concluded on 31 March 2017, which merged with WPEF VI HOLDING 5 B.V. on 14 December 2021, and include consulting services for the parent company and all subsidiaries in the Kredyt Inkaso Capital Group in the areas of financial analysis and projections, reporting processes, capital management, risk management, corporate finance, business strategy and potential acquisitions (M&A) and investor relations. The agreement was concluded for the period until 31 December 2017, and is automatically renewed for successive calendar annual periods, and either party may terminate it within 90 days before the start of the next calendar year. The value of consulting services under the contract is EUR 60,000 per year (net). Under the agreement, the list of persons delegated to perform advisory activities and receive confidential information includes Tomasz Karpinski, a member of the Supervisory Board.

17.2. Loans to key personnel and related persons

None.

17.3. Transactions with key personnel.

17.3.1. Remuneration of the Management Board

Remuneration of the Company's key executives, at the parent company and subsidiaries in the Group.

	01/04/2023-31/12/2023	01/04/2022-31/12/2022
Base salary/management contract (gross)	3,470	3,399
Other - medical and other benefits	245	249
Total	3,715	3,648

17.3.2. Remuneration of the Supervisory Board

	01/04/2023-31/12/2023	01/04/2022-31/12/2022
Remuneration of the Supervisory Board	413	339
Total	413	339

Remuneration rules for the Supervisory Board:

- A member of the Supervisory Board is entitled to monthly remuneration in the amount of 1/3 of the average monthly salary in the enterprise sector without profit sharing (according to the Central Statistical Office).
- The Chairman of the Supervisory Board is entitled to a function allowance in the amount of the average monthly salary in the enterprise sector without profit sharing.
- Other members of the Supervisory Board are entitled to allowances:
 - for membership in the audit committee in the amount of 1/3 of the average monthly salary in the enterprise sector without payments of rewards from profit
 - for serving as secretary of the Supervisory Board in the amount of 1/3 of the average monthly salary in the business sector without profit sharing
 - for serving as Vice-Chairman of the Supervisory Board in the amount of 1/3 of the average monthly salary in the enterprise sector without profit sharing in the period when the Chairman of the Supervisory Board does not serve in that capacity
- A member of the Supervisory Board is not entitled to remuneration if he submits a statement of resignation from remuneration.
- A member of the Supervisory Board is entitled to remuneration and due allowance for the performance of his or her function in a given month in an amount appropriate to the ratio of the number of meetings attended to the total number of meetings of the Supervisory Board in a given month.
- A member of the Audit Committee is entitled to an allowance for audit committee membership in a given month in an amount appropriate to the ratio of the number of meetings attended to the total number of Audit Committee meetings in a given month.
- Salaries and allowances are also due if no meetings were held in a given month.

Pursuant to Resolution no. 27/2022 of the Extraordinary General Meeting of 30 September 2022 on determining the remuneration of a member of the Company's Supervisory Board elected by separate group voting and delegation to permanent individual performance of supervisory activities, the gross monthly remuneration of the aforementioned member of the Supervisory Board has been set at an amount equal to half the remuneration of the Chairman of the Supervisory Board. The fixed amount of remuneration does not exclude the right of a member of the Supervisory Board to reimbursement of costs incurred in connection with the performance of this function.

18. Contingent liabilities, guarantees, warranties and collaterals on the Group's assets

18.1. Costs of discontinued enforcements

A contingent liability is liabilities potentially arising from certain past events, the existence of which can be confirmed only upon either the occurrence or non-occurrence of a future event(s) that is not certain and not fully within the control of the entity, or present liabilities that arise from a past event(s) but are not recognized in the financial statements as the necessity to incur expenditures is not probable to satisfy them or where the amount of such liabilities cannot be measured with sufficient reliability.

The costs of discontinued enforcements are related to past events (initiation of enforcement proceedings), with their occurrence or non-occurrence depending on future events that are uncertain and beyond the Group's control. For the purpose of estimating the contingent liability covering the costs of discontinued enforcements, the Group analysed the current and historical operating figures and determined statistical curves depicting at what point in the lifecycle of each enforcement (group of enforcement proceedings) it is likely that the enforcement will be discontinued, causing the underlying funds to

outflow. The resulting values were discounted as at the balance sheet date using a discount rate that reflects the current market assessment of the time value of money and the risk inherent in the liability.

Presented below is the value of the contingent liability related to the costs of discontinued enforcement proceedings as at the balance sheet date:

	31/12/2023
Contingent liabilities - costs of discontinued enforcement	41,993
Total	41,993

18.2. Key Personnel Retention Programme

On 30 November 2023, the Company's Management Board adopted a resolution on the adoption of a Retention Program for key employees and associates of the Kredyt Inkaso Capital Group (the "Program"). In the event of the occurrence of certain events related to the review of strategic options, the probability of which the Management Board is currently unable to determine, as well as upon the fulfilment of certain conditions by those covered by the Program, the Group will pay covered employees and associates additional compensation under the Program, at a cost to the Group of up to PLN 2.6 million.

18.3. Contingent liability related to income tax

Tax systems in the countries in which the Group operates are characterised by potential changes to their tax laws. In particular, the tax system in Poland has undergone frequent changes in recent years, significantly affecting the business environment. There are regulations burdened with rather ambiguous line of interpretation while others suffer from non-uniform practices of tax authorities.

The Group has conducted tax reviews in recent months in selected countries of its operations, with result available to the Group prior to the Approval Date. The tax reviews identified areas of uncertainty in the tax treatment of selected income items of its subsidiaries or in liabilities for taxes other than income tax. Having analysed the tax review report, available tax opinions of tax consulting firms, and market best practices, the Company's management has concluded that it is likely that tax authorities would acknowledge the cases in which there has been the uncertainty as to their tax treatment.

Notwithstanding the above, the Group decided out of prudence to disclose a case of uncertain tax treatment related to 2020-2021 transactions between certain subsidiaries in the case of which the Group considered the probability of such acknowledgement by tax authorities as the lowest (among the cases identified by it). The total income tax on such transactions would reach PLN 2.3 million at most. The Company's management is taking all efforts to clarify the potential tax consequences of the above transactions and to promptly make the final decision on any further appropriate actions in that regard. As at the balance sheet date, no provision for liabilities related to such uncertain tax cases has been opened.

18.4. ING Bank Śląski credit facility security

Based on:

- (i) the credit facility agreement of 23 November 2017, supplemented by agreements no. 1 dated 21 May 2018. , no. 2 dated 14 September 2018, and no. 3 dated 27 November 2019, signed by subsidiary Kredyt Inkaso II NFIZW with ING Bank Śląski S.A., and
- (ii) the credit facility agreement of 21 May 2018, supplemented by agreements no. 1 dated 15 September 2018 and no. 2 dated 27 November 2019, signed by subsidiary Kredyt Inkaso I NFIZW with ING Bank Śląski S.A.,

Kredyt Inkaso I NFIZW and Kredyt Inkaso II NFIZW established security in favour of the Bank in the form of a conditional assignment of claims under a conditional claim assignment agreement connected with certain commercial contracts, with the total value of the security being not less than 150% of the line of credit utilised by each of these subsidiaries.

The above credit facility agreements were collectively replaced by the Supplementary Agreement 3 of 31 December 2020 and the subsequent Supplementary Agreements no. 4 dated 22 March 2022, no. 5 dated 15 April 2022 and no. 6 dated 3 August 2022, which stipulate, among other things, that Kredyt Inkaso I NFIZW and Kredyt Inkaso II NFIZW secured the Bank with respect to the credit facility by a conditional claim assignment, based on

conditional security assignment agreements connected with certain commercial contracts, with the total value of the claims that are the security not less than 150% of the utilised line of credit. As of the balance sheet date, the required level of security in the case of Kredyt Inkaso I NFIZW is: PLN 166,866 thousand, and in the case of Kredyt Inkaso II NFIZW: PLN 113,223 thousand.

18.5. Bond issues security

On 28 March 2022, the Company issued Series K1 bonds, total face value PLN 103 million. According to the terms and conditions of the issue, the bonds were issued as unsecured. However, the bondholders' claims under the bonds were (according to the terms and conditions of the issue) secured after the issue date by established security interests, including registered pledges under the Polish or foreign law on debt portfolios and on investment certificates that are included in the Company's or its subsidiaries' balance sheets as well as other assets of the Company. The total value of the security after 26 April 2022 cannot be less than 150% of the current face value of the bonds.

As at the balance sheet date, the minimum aggregate security was PLN 141.6 million.

19. Court, enforcement, tax and other proceedings

19.1. Litigations and enforcements

The Group's business model involves the purchase of debt portfolios that include claims arising from sold general services (usually

several thousand to tens of thousands of claims bundled in a portfolio) and to pursue their repayment in court. The Group's activities include mass litigation and enforcement proceedings conducted by enforcement officers. However, due to the relatively low debt balances, there is no risk of concentration (one or more bad debts, i.e. debts apparently much worse than originally calculated).

As at the Approval Date, the following legal proceedings to which the Group is a party are pending:

- a lawsuit of BEST S.A. dated 9 January 2019 for payment jointly and severally by the Company, Paweł Szewczyk, Jan Paweł Lisicki and Grant Thornton Frąckowiak spółka z ograniczoną odpowiedzialnością sp. k. of the amount of PLN 51,847,764, but with respect to Grant Thornton Frąckowiak spółka z ograniczoną odpowiedzialnością sp. k. the claimant limits the demand to the amount of PLN 2,260,000 and the costs of court proceedings including the costs of legal representation according to the statutory standards. This action arises from the alleged damage caused to BEST S.A. by the defendants, as a result of the purchase of the Company's shares at an inflated price, determined on the basis of the Company's financial statements for the 2014/2015 fiscal year, which were adjusted in subsequent fiscal years. Kredyt Inkaso S.A. recognizes BEST S.A.'s claim as unfounded (Current Report 8/2019);
- a lawsuit by John Harvey van Kannel dated 28 December 2020, against the Company for (i) establishing the existence of a resolution to dismiss Maciej Jerzy Szymanski from the Company's Management Board, and (ii) annulling Resolution no. 38/2020 of the Company's Annual General Meeting of Shareholders, dated 27 November 2020, on the appointment of Daniel Dabrowski to the Company's Supervisory Board for a new term. John Harvey van Kannel's request for injunction in the present case was fully rejected, and the Company announced it in Current Report 11/2021. The Company considers the demands contained in the lawsuit to be completely unfounded and opposes them, actively participating in the court proceedings (Current Report 26/2021). BEST Capital FIZAN is acting in this case as a side intervener on the side of John Harvey van Kannel;
- a second lawsuit by John Harvey van Kannel dated 22 June 2021, against the Company for annulling Resolution no. 12/2021 of the Company's Extraordinary General Meeting of Shareholders, dated 24 May 2021, on the appointment of Daniel Dąbrowski to the Company's Supervisory Board. The Company considers the demands contained in the lawsuit to be completely unfounded and opposes them, actively participating in the court proceedings (Current Report 31/2021). The case was concluded with a favourable verdict for the Company from the Court of Appeals passed on 4 April 2023, dismissing John Harvey van Kannel's appeal in its entirety (Current Report 8/2023). On 1 August 2023, the Company's attorney was served a notice that the last resort appeal had been filed with the supreme court by one of the claimants (BEST Capital FIZAN). The Company considers the claim sought in this procedure to be completely unfounded (Current Report 32/2023).
- a lawsuit of 18 August 2016 against joint and several defendants: BEST S.A. and Krzysztof Borusowski, and seeking claims of PLN 60,734,500 in favour of the Company. The amount demanded arises from the Company's claim against the Respondents for compensation for damage caused to the Company as a result of the Respondents' dissemination of false and slanderous information: regarding the Company's Management Board at the time, alleged irregularities in the Company, alleged falsification of financial statements and lack of authority of the Company's Management Board to act on behalf of the Company, which, according to the Company, was the direct reason for the termination

of the agreements concluded with the Company to manage debt portfolios and legal services agreements 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, and AGIO Wierzytelności Plus 2 Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty. The amount of the claim is the sum of the actual losses incurred by the Company and its estimated lost benefits in future years, as the Company announced in Current Report 57/2016 dated 10 August 2016, and additionally estimated lost benefits, due to, among other things, the termination of management agreements by Lumen Profit 14 NS FIZ, Lumen Profit 15 NS FIZ, Lumen Profit 16 NS FIZ. The Company informed about the reasons and the impact of the termination of the above agreements on the Company's financial situation, in particular the loss of further regular income as well as the potential litigation by the Company to seek relevant compensation, in the Consolidated Quarterly Report for Q1 2016/2017 which was published on 12 August 2016. On 25 August 2023, the court requested the parties to submit their final depositions in writing before the case is closed and the judgment decided in a closed-door session of the court, which both parties did. As a result, the Company expects to complete the first-instance proceedings before the end of the Company's current financial year.

- a lawsuit dated 8 June 2020 against the Defendants jointly and severally Paweł Szewczyk, Ion Melnic and KI Servcollect SRL for an order that the defendants jointly and severally pay the Company the amount of PLN 21,320,000 as compensation for indirect damages that the Company suffered due to the actions of the defendants (between June 2014 and April 2016 when the sale and purchase of Romanian debt portfolios were being arranged and committed), together with statutory interest for delay calculated since 26 May 2020, to the date of payment, PLN 30,000 as reimbursement of the costs incurred by the Company for the preparation of a private opinion of an expert in the field of business valuation, together with statutory interest for delay calculated from the date of delivery of the copy of the statement of claim to the last of the Respondents until the date of payment, and PLN 44,000 as reimbursement for the costs of providing certified translations of the statement of claim and some of the appendices to the statement of claim, together with statutory interest for delay calculated from the date of delivery of the copy of the statement of claim to the last of the Respondents until the date of payment. The main claim of PLN 21,320,000 became apparent during an in-house investigation which showed that Paweł Szewczyk, then acting as the president of board for Kredyt Inkaso S.A. and capital group companies, namely Kredyt Inkaso Investments RO S.A., Kredyt Inkaso Portfolio Investments Luxembourg S.A., and at the same time being a member of the management board of KI Servcollect SRL, had used his knowledge and information concerning Kredyt Inkaso S.A. and the capital group companies to gain financial benefit from the purchase and sale transactions covered by the lawsuit, which were closed on the Romanian market between June 2014 and April 2016. Paweł Szewczyk did not inform the Company while holding the President of Board office about the nature and scope of his collaboration with KI Servcollect SRL in the process of organising claim trading transactions on the Romanian market. Paweł Szewczyk remained a member of the Management Board for KI Servcollect SRL without obtaining the consent of the Supervisory Board of Kredyt Inkaso S.A. in this respect or informing it about it. At the same time, Paweł Szewczyk knew that KI Servcollect SRL made significant profits on debt trading transactions involving Kredyt Inkaso group companies even though KI Servcollect SRL had no investment agreement or service contract signed with any company from the Kredyt Inkaso capital group. In the lawsuit, the Company has also demanded injunction to secure the above claims (Current Report 13/2020). The Company's request for injunction was dismissed by the court and, as the appeal filed by the Company's attorney was rejected by the upper court, this decision should be considered final. In January 2024, BEST S.A. filed to join the side of the Company in the proceedings to which the defendants objected (still to be examined by the court). Witnesses are still being interviewed in the case and further hearing dates are set. According to the attorney, there will be an expert opinion issued in the case;
- a lawsuit by two members of the Supervisory Board, dated 24 June 2021, to revoke the resolution of the group of shareholders entitled to elect members of the Supervisory Board by separate group voting, no. 13/2021 of the Company's Extraordinary General Meeting of 24 May 2021, on the appointment of Karol Szymański to the Company's Supervisory Board for a new term and granting him the authority to perform supervisory activities on a permanent individual basis. The Company intends to actively participate in the legal proceedings (Current Report 53/2021);
- the second lawsuit by two members of the Supervisory Board, dated 25 May 2022, to revoke the resolution of the group of shareholders entitled to elect members of the Supervisory Board by separate group voting, no. 6/2022 of the Company's Extraordinary General Meeting of 25 April 2022, on the appointment of Karol Szymański to the Company's Supervisory Board for a new term and granting him the authority to perform supervisory activities on a permanent individual basis. The Company intends to actively participate in the litigation (Current Report 36/2022 and 38/2022). By an order dated 6 July 2022, the court granted the injunction securing the claimants by suspending the effective force of the resolution until the lawsuit is conclusively closed. The Company intends to actively participate in the legal proceedings. According to information provided in Current Report 60/2023, the Court of Appeals reversed the order dated 6 July 2022, and referred the request for injunction to the District Court of Warsaw for reconsideration. The Court of Appeals did not rule on any substantive grounds regarding whether or not securing of the claim should be granted. The request for injunction will therefore be reconsidered.

19.2. Tax proceedings

On 29 December 2022, Kredyt Inkaso RUS Limited Liability Company (LLC) ("KI RUS") received a notice of audit from the Interdistrict Inspectorate of the Federal Tax Service. The subject of the audit was all taxes and fees and insurance premiums for the period from 1 January 2019 to 31 December 2021. On 22 June 2023, a report on the aforementioned tax audit was issued, which questioned the settlements between KI RUS and Kredyt Inkaso Portfolio Investments (Luxembourg) Societe Anonyme (hereinafter: "KI LUX") under claim assignment agreements entered into between the companies on 16 May 2014 and 2 July 2014, and an agency agreement dated 5 May 2014.

The following arrears amounts were indicated in the tax audit report:

- RUB 19.4 million (excluding interest) for underreporting corporate income tax for 2019-2021 plus a fine at a rate of 40%, the amount of which the Company calculated is RUB 7.8 million,
- RUB 28,7 million (excluding interest) for the payer's failure to collect withholding tax on payments to KI LUX plus a fine at a rate of 20%, the amount of which the Company calculated was RUB 5.7 million, and

value-added tax overpayment for 2019-2021 of RUB 2.3 million.

The Group has set up a provision to cover the charges raised in the amount of RUB 79.8 million (including the amount of tax arrears and anticipated interest and fines).

KI RUS submitted objections to the audit report in writing and in a meeting with the tax authority. On 21 August 2023, the Russian Company made a payment of tax arrears (excluding interest and fines) in the total amount of RUB 31.5 million (net of value-added tax overpayment), which was agreed upon during a meeting with the tax authority on 18 August 2023. On 30 August 2023, KI RUS received the final decision on the results of the audit, in which the tax authority set the final amount of tax arrears and fines (excluding interest) at a total of RUB 29.6 million. The decision became final after 30 days, at which time the Russian company settled the interest on the tax arrears, which amounted to RUB 5.1 million. The total amount of tax arrears, fines and interest paid for irregularities identified by the tax authority for 2019 - 2021 amounted to RUB 32.4 million (after deducting the amount of overpayment in value-added tax indicated above).

KI RUS also adjusted its tax settlements for the unaudited period from January 2022 to March 2023, resulting in a tax payment with interest of RUB 5.6 million.

As of April 2023, KI RUS makes tax settlements according to the interpretation indicated by the tax authority.

In September 2023, the Group dissolved the unused portion of the provision which had been set up in connection with tax proceedings pending in Russia, in the amount of RUB 41.8 million (equivalent to PLN 1.9 million, exchange rate as of 30 September 2023).

19.3. Tax inspections

There were no significant inspections or investigations during the reporting period.

20. Significant events after the balance sheet date

- On 18 January 2024, Daniel Dąbrowski resigned from the Supervisory Board.
- On 30 January 2024, the remaining members of the Company's Supervisory Board appointed Tomasz Karpinski as a member of the Supervisory Board.
- On 7 February 2024, series R1 bonds with a total face value of PLN 20 million were registered in the securities depository maintained by the Central Securities Depository (KDPW). As such, they were admitted to trading on the Warsaw Stock Exchange regulated market on 7 February 2024.

Significant events occurring after the balance sheet date are also included in the description of significant legal and tax proceedings above.

21. Factors and events, including those of an unusual nature, having a significant impact on the financial statements

None.

22. Other information relevant to the assessment of personnel, assets and financial situation

Following the request made to the Company's Management Board by its key shareholders, based on the resolution of the Annual General Meeting of 30 September 2022 (Current Report 60/2022) to initiate a review of strategic options concerning the Company's future in order to resolve the Company's existing shareholder situation, including in particular the potential disposal by shareholder(s) of the Company's shares, on 4 April 2023 the Management Board signed an agreement with a transaction advisor (Ipopema Securities S.A. based in Warsaw), hence initiating the review of strategic options (Current Report 9/2023). As part of the process, to the extent permitted by applicable law, additional information about the Company and its affiliates may be provided to selected entities. Accordingly, the Management Board has engaged such transaction advisor who together with other advisors support the Management Board in conducting the strategic review. As at the Approval Date, the review of strategic options has not been completed or any binding decisions made regarding the final selection of the option to be implemented. Several potential investors are involved in the current phase of the review of strategic options (a competitive procedure), with the range of scenarios in consideration including potential transactions in shares or assets of the Company or its subsidiaries. As such, the review of strategic options may finally lead to solutions which, insofar as implemented, may cause the Group to violate certain covenants that have been incorporated in relevant credit facility agreements or the bond issue terms and conditions. For example, the review of strategic options may lead to (i) a transaction resulting in a change in the Issuer's shareholding structure and, consequently, potential publication of a share sale offer and later withdrawal of the shares from the Regulated Market (possibly causing the early redemption of bonds or credit facility liabilities becoming due and payable) or (ii) a transaction resulting in the disposal by the Company or Group entities of a material part of its assets or business (possibly causing the early redemption of bonds or credit facility liabilities becoming due and payable). However, the review of strategic options may also conclude with a decision to keep the status quo as at the Approval Date.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

SEPARATE STATEMENT OF PROFIT OR LOSS

	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023	01/04/2022- 31/12/2022	01/10/2022- 31/12/2022
Net income				
Interest income on debt portfolios calculated using the effective interest rate method	7,360	2,408	8,971	2,826
Debt portfolios revaluation	13,671	4,789	9,640	2,311
Other income/expenses	49,159	16,262	40,309	13,660
Total net income	70,190	23,459	58,920	18,797
Salary and employee benefit costs	(30,083)	(10,399)	(25,155)	(9,161)
Depreciation	(2,634)	(884)	(2,447)	(805)
Third-party services	(29,740)	(10,808)	(26,912)	(9,106)
Other operating costs	(6,469)	(2,367)	(5,668)	(2,343)
Total operating costs	(68,926)	(24,458)	(60,182)	(21,415)
Profit (loss) on operating activities	1,264	(999)	(1,262)	(2,618)
Financial income, including	25,274	9,016	31,497	14,589
on account of interest on instruments measured at amortized cost	23,755	8,092	19,592	7,526
Finance costs, including	(28,503)	(10,064)	(29,915)	(11,660)
on account of interest on instruments measured at amortized cost	(24,495)	(8,620)	(20,722)	(7,654)
Profit (loss) before taxation	(1,965)	(2,047)	320	311
Income tax	1,123	1,300	1,629	568
Net profit (loss)	(842)	(747)	1,949	879
Earnings (loss) per share in PLN and 0/100				
ordinary	(0.07)	(0.06)	0.15	0.07
diluted	(0.07)	(0.06)	0.15	0.07

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023	01/04/2022- 31/12/2022	01/10/2022- 31/12/2022
Net profit (loss)	(842)	(747)	1,949	879
Income (loss) recognized in the period in other comprehensive income	(841)	(841)	5,815	2,726
Amounts transferred to profit or loss	(110)	(110)	(6,331)	(2,726)
Income tax	181	181	98	-
Cash flow hedging instruments subject to reclassification to profit and loss account	(770)	(770)	(418)	-
TOTAL COMPREHENSIVE INCOME	(1,612)	(1,517)	1,531	879

SEPARATE STATEMENT OF FINANCIAL POSITION

Assets	31/12/2023	31/03/2023
Intangible assets	1,550	2,399
Property, plant and equipment	9,024	10,158
Investment properties	1,806	1,473
Investments in subsidiaries	74,653	74,653
Receivables and loans granted	43,410	243
Other long-term financial assets	171,000	31,300
Fixed assets	301,443	120,226
Trade and other receivables	10,339	8,211
Income tax receivables	309	-
Purchased debt claims	47,202	49,503
Loans	589	-
Other short-term financial assets	35,417	190,388
Short-term prepayments and accruals	1,224	861
Cash and cash equivalents	41,169	9,188
Current assets	136,249	258,151
Total assets	437,692	378,377

Liabilities	31/12/2023	31/03/2023
Share capital	12,897	12,897
Statutory reserve	68,076	63,042
Revaluation reserve	(770)	-
Retained earnings, including	(5,136)	740
net profit (loss) of the current period	(842)	5,034
profits (losses) of previous years	(4,294)	(4,294)
Equity	75,067	76,679
Borrowings and other debt instruments	265,840	202,044
Lease obligations	7,433	8,522
Derivative financial instruments	841	-
Deferred tax provision	358	1,663
Long-term liabilities	274,472	212,229
Trade and other payables	5,312	5,240
Borrowings and other debt instruments	70,630	72,470
Lease obligations	1,775	1,654
Other short-term provisions	3,946	4,339
Short-term prepayments and accruals	6,490	5,766
Current liabilities	88,153	89,469
Total liabilities	362,625	301,698
Total equity and liabilities	437,692	378,377

SEPARATE STATEMENT OF CASH FLOWS

	01/04/2023-31/12/2023	01/04/2022-31/12/2022
Profit (loss) before taxation	(1,965)	320
Adjustments:		
Depreciation and write-downs of property, plant and equipment	1,619	1,563
Amortization and write-downs of intangible assets	1,015	884
Purchased debt claims - difference between repayments and interest income	15,972	17,466
Purchased debt claims - revaluation	(13,671)	(9,640)
Financial costs	28,503	29,762
Financial income	(25,005)	(31,497)
Profit (loss) due to exchange rate differences	(269)	153
Other adjustments	(3,651)	(2,600)
Total adjustments	4,513	6,091
Change in receivables	(2,313)	412
Change in liabilities	(282)	(5,222)
Change in reserves and accruals	(31)	(1,385)
Cash from operating activities	(78)	216
Income tax paid	-	-
Net cash from operating activities	(78)	216
Expenses for acquisition of intangible assets	(170)	(159)
Expenses for acquisition of property, plant and equipment	(273)	(33)
Expenses for acquisition of investment properties	(333)	-
Proceeds from sale of fixed assets	65	131
Proceeds from repayments of loans granted	-	3,370
Loans granted	(43,097)	-
Proceeds from sale of other financial assets/repayment of bonds	-	47,858
Interest received	39,187	13,818
Dividends received	-	4,223
Net cash from investment activities	(4,621)	69,208
Proceeds from issuance of debt securities	85,741	42,689
Redemption of debt securities	(26,806)	(98,602)
Payments from settlement of hedging transactions	-	(4,776)
Flows from the concluded cashpool agreement	2,072	710
Repayment of lease liabilities	(2,083)	(1,929)
Interest paid	(22,244)	(16,793)
Net cash from financing activities	36,680	(78,701)
Net change in cash and cash equivalents	31,981	(9,277)
Cash and cash equivalents at the beginning of the period	9,188	25,274
Change of balance due to exchange rate differences	-	-
Cash and cash equivalents at the end of the period	41,169	15,997

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Statutory reserve	Revaluation reserve	Retained earnings	Total equity
As at 01 April 2023	12,897	63,042	-	740	76,679
Net profit (loss)	-	-	-	(842)	(842)
Cash flow hedging instruments	-	-	(770)	-	(770)
Total comprehensive income	-	-	(770)	(842)	(1,612)
Profit allocation	-	5,034	-	(5,034)	-
As at 31 December 2023	12,897	68,076	(770)	(5,136)	75,067

	Share capital	Statutory reserve	Revaluation reserve	Retained earnings	Total equity
As at 01 April 2022	12,897	77,263	418	(18,515)	72,063
Net profit (loss)	-	-	-	1,949	1,949
Cash flow hedging instruments	-	-	(418)	-	(418)
Total comprehensive income	-	-	(418)	1,949	1,531
Profit allocation	-	(14,221)	-	14,221	-
As at 31 December 2022	12,897	63,042	-	(2,345)	73,594

EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Basis for the preparation of the interim condensed separate financial statements and accounting policies

1.1. Basis for preparation of interim condensed separate financial statements

These interim condensed separate financial statements of the Company cover the period of nine months ended 31 December 2023 and present:

- comparative figures for the nine months ended 31 December 2022 in the statement of profit and loss, statement of comprehensive income, statement of changes in equity and the statement of cash flows;
- comparative figures as at 31 March 2023 in the statement of financial position;
- current and comparative data for the three months ended 31 December 2023 and 2022, respectively, in the statement of profit or loss, statement of comprehensive income.

The interim condensed separate financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all the information that is disclosed in the annual separate financial statements prepared in accordance with IFRS. These interim condensed separate financial statements should be read in conjunction with the Company's separate financial statements for the fiscal year ended 31 March 2023.

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

These interim condensed separate financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of approval of these interim condensed separate financial statements for publication, there are no circumstances indicating a threat to the Company's going concern.

The duration of the Company's operations is not limited.

1.2. Statement of compliance

These interim condensed separate financial statements have been prepared in accordance with International Financial Reporting Standards and related interpretations promulgated in the form of European Commission regulations, as well as requirements relating to issuers of securities admitted or sought to be admitted to trading on an official stock exchange listing market.

1.3. Accounting principles used

These interim condensed separate financial statements have been prepared in accordance with the accounting policies that were presented in the Parent's most recent separate financial statements for the year ended 31 March 2023, except for the first-time adoption standards described in the interim consolidated financial statements of the Group for nine months ended 31 December 2023.

1.4. Changes in significant accounting policies and error adjustments

The same accounting policies have been applied in the preparation of these interim condensed separate financial statements as in the most recent annual separate financial statements which were prepared as at and for the reporting year ending 31 March 2023.

In the preparation of these interim condensed separate financial statements, no correction of prior period errors or significant changes in estimates were made.

Interim condensed consolidated and separate financial statements for the 9-month period ended 31.12.2023 (data in PLN thousand)

APPROVAL FOR PUBLICATION

The Parent's Management Board approved for publication these interim condensed consolidated and separate financial statements prepared for the period from 1 April 2023 to 31 December 2023, including comparative data, on 28 February 2024 (the "Approval Date").

President of Management Board

Barbara Rudziks

Vice President

Maciej Szymański

Vice President

Iwona Słomska

Board Member

Mateusz Boguta

Director of the Financial Accounting and Reporting Division

Ewa Palczewska-Dunia