



Independent Auditor Report on Annual Consolidated Financial Statements of

Kredyt Inkaso Capital Group

for the financial year from 1 April 2023 to 31 March 2024



PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k. is part of PKF Polska Group which also includes PKF BPO Sadowska-Malczewska Sp. k., PKF Tax&Legal Chamera Orczykowski Sp. k., PKF Advisory Sp. z o.o., PKF Brevells Cekiera Sp. k. and EUROTAX Podatki Sp. z o.o.

PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k. is a member of PKF Global, a network of PKF International Limited members, each a separate and independent legal entity and each assuming no responsibility or liability for any acts or omissions of any other member or its corresponding firm.

PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k.

ul. Orzycka 6 lok. 1B • 02-695 Warsaw • Poland

District Court for Warsaw (in Warsaw), 13th Commercial Division, reg. number (KRS): 579479

NIP 521-052-77-10 • REGON 010143080 • auditor firm listed by PANA under number: 477 www.pkfpolska.pl

Report on Audit of Annual Consolidated Financial Statements for the General Meeting and Supervisory Board of Kredyt Inkaso S.A

Auditor Opinion

We have audited the attached annual consolidated financial statements of the Kredyt Inkaso Capital Group in which Kredyt Inkaso S.A. based in Warsaw (ul. Postępu 21B, Warsaw, Poland) is the parent company, hereinafter the 'Parent Company' and the 'Group, for the financial year from 1 April 2023 to 31 March 2024, comprising: the consolidated statement of profit and loss and the consolidated statement of comprehensive income for the financial year from 1 April 2023 to 31 March 2024, the consolidated statement of financial position as at 31 March 2024, the consolidated statement of cash flows, the consolidated statement of changes in equity for the financial year ending that day, and the notes on accounting policies and providing other explanation, hereinafter the 'consolidated financial statements'.

The consolidated financial statements were prepared in a uniform electronic file submitted as part of the reporting package named kri-2024-03-31-pl, bearing the electronic signatures of the Management Board of the Parent Company placed on 11 July 2024.

The consolidated financial statements were prepared according to the accounting and financial reporting principles set out in International Accounting Standards, International Financial Reporting Standards and related interpretations promulgated in European Commission regulations, hereinafter 'EU IFRS'.

In our opinion, the enclosed consolidated financial statements of the Kredyt Inkaso Capital Group:

- clearly and reliably present the consolidated property and financial condition of the Group as at 31 March 2024, as well as the consolidated financial result and consolidated cash flow for the financial year ended on that day, in conformity with EU IFRS and the adopted accounting policies;
- comply in terms of their form and contents with legal regulations applicable to the Group as well as the articles of association of the Parent Company;

Our opinion on these consolidated financial statements is consistent with the supplementary report addressed to the Audit Committee, which we issued on 11 July 2024.

Basis of Opinion

We conducted our audit in compliance with the National Standards on Auditing ('NSA'), consistent with the International Standards on Auditing, as adopted by the National Council of Statutory Auditors (KRBR), the National Audit Standard 220 (Z) adopted by the Polish Audit Oversight Agency (PANA) as well the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision ('Auditors Act', Polish Official Journal: - Dz.U. 2021.2106), and Regulation (EU) No 537/2014 of the European Parliament and of

the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ L EU L 158 of 27.05.2014, page 77 and OJ L 158 of 27.05.2014, page 77. EU L 170 of 11.06.2014, page 66), hereinafter ‘Regulation 537/2014’.

Our responsibility according to these standards was described in section Auditor's responsibility for consolidated financial statements auditing.

We are independent of the Group's entities, according to the Code of Ethics for Professional Accountants (including the International Standards of Independence) ('IESBA Code'), as adopted by the National Council of Statutory Auditors (KRBR), as well as other independence criteria defined in the Auditors Act and Regulation 537/2014. We also fulfilled our other ethical obligations set forth in the Auditors Act and the IESBA Code. During the audit, the key auditor and the auditing firm itself remained independent of the Group in accordance with the impartiality criteria defined in the Auditors Act and Regulation 537/2014.

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

Additional Explanation

We would like to highlight Note 33 to the consolidated financial statements (Other information relevant to the assessment of staff, assets and financial position) which describes the activities surrounding the review of strategic options for the Parent Company and the Group. This has not modified our opinion on this subject.

Key Audit Matters

The key audit matters are those that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the reporting year. These include the assessed key risks of material misstatement, including the assessed risk of material misstatement due to fraud. We have addressed these matters in the context of our audit of the consolidated financial statements as a whole and, when formulating our opinion and summarising our response to these types of risks, as well as whenever we considered it appropriate, we presented our most important insights related to these types of risks.

Furthermore, Regulation 537/2014 imposes on us the obligation to present in the audit report all the most significant risks of material misstatement, including outside the key audit matters. The significant risks of material misstatement are the risks of material misstatement identified by us which, in our judgement, require special consideration during the audit.

The following key audit matters include all the most significant risks of material misstatement as referred to in Regulation 537/2014 and other issues we have identified as key audit matters.

We do not express a standalone opinion on these matters.

Key audit matter: Valuation of the Group's investments in purchased debt portfolios	
Did this key audit matter pose a significant risk: YES	
Details of key audit matter	Reaction in the audit
<p>The carrying amount of investments in the acquired debt portfolios as at 31 March 2024 accounted for 82.1% of the Group's total assets as at that date.</p> <p>The Group recognises investments in receivables from the purchased debtor portfolios according to IFRS 9 and classifies them as 'financial assets measured at amortised cost' using the effective interest rate.</p> <p>Determining forecast recoveries and related cash flows is based on a number of assumptions and estimates, in particular related to the value of future flows from collected debtor claims, the cost of their recovery, and the calculation of the discount rate.</p> <p>We determined that the rationality of these assumptions bears significant and inherent risk of error or fraud as well as the significant risk resulting from the high uncertainty of the assumed effectiveness of future debt collection activities. An important estimation factor is the expected economic development and the legal environment affecting the effectiveness of debt collection activities.</p> <p>The principles of classification and valuation of investments in purchased debt portfolios are described in Section 2.4.10.1 'Financial assets measured at amortized cost' in the Group accounting policy chapter.</p> <p>Disclosures regarding investments in the debt portfolios are included in Note 11 'Purchased debt portfolios' of the</p>	<p>In order to address this identified risk, we have carried out a number of procedures. We describe below the key procedures ensuring the objectives of our audit.</p> <p>We analysed and evaluated:</p> <ul style="list-style-type: none"> • accounting policies adopted in the Group in the area of valuation of purchased debt portfolios, • the methodology adopted and applied by the Group to estimate the value of debt portfolios, in terms of its compliance with relevant financial reporting standards and common valuation methodologies, • the rationality of the key assumptions made by the Group in estimations of discounted future cash flows from the debt portfolios, including by: <ul style="list-style-type: none"> – analysis and assessment of debt collection strategies in relation to future cash flows, – interviews with employees responsible for key business processes in the Parent Company, in particular for enforcement strategies, litigation strategies, settlement strategies and the area of analysis and risk, – review of the degree of implementation of historical assumptions versus actual data, – analysis and assessment of the adopted discount rates, analysis and assessment of the rationality of the adopted recovery periods and volumes,

<p>notes to the consolidated financial statements.</p>	<ul style="list-style-type: none"> – analysis and assessment of forecast flows from receivables secured on real estate, – assessment of control in the area of purchased debt portfolios and the review of the effectiveness of this control, – analysis and assessment of the rationality of changes in the expected recovery periods and testing of recovery credibility, – analysis and assessment of the adequacy and sufficiency of disclosures made in the annual consolidated financial statements.
--	--

Liability of the Parent Company's Management Board and Supervisory Board for consolidated financial statements

The Management Board of the Parent Company is responsible for preparing the consolidated financial statements that give a true and fair presentation of the Group's assets and financial condition and its financial result in accordance with the IFRS EU, the adopted accounting policy, the legal regulations applicable to the Group, and the Parent Company's articles of association, including for their preparation in conformity with ESEF Regulation.

The Management Board of the Parent Company is also liable for internal control to the extent deemed necessary in order to prepare the consolidated financial statements free from any material misstatements that could be caused by fraud or error. In the preparation of the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to

continue its business activities and, if applicable, for disclosing any going concern issues, and for choosing to apply the principle of going concern in accounting, except for a situation where the Management Board either intends to liquidate the Group or discontinue the business activities or has no real alternative to liquidation or discontinuation of the activities.

The Management Board and members of the Supervisory Board of the Parent Company must ensure that the financial statements meet the requirements under IFRS EU. The members of the Supervisory Board of the Parent Company are responsible for supervising the financial reporting process.

Liability of the Auditor for Audit

Our goal is to obtain reasonable certainty that the consolidated financial statements as a whole do not contain any material misstatements caused by a fraud or error and to issue an audit report containing our opinion. Reasonable certainty means a high level of certainty but it does not guarantee that the audit conducted in accordance with the aforementioned standards would always detect the existing material misstatement. Such misstatements may arise from fraud or errors, and will be considered material, if one can reasonably expect that individually or jointly they could affect economic decisions of users made based on the consolidated financial statements.

The scope of the audit does not include an assurance as to the Group's future profitability or present or future efficient handling of its affairs by the Management Board of the Parent Company.

During the audit in accordance with the NSA we are also using our professional judgment and scepticism, and also:

- we identify and assess the risk of material misstatement in the consolidated financial statements caused by fraud or errors, we design and implement the audit procedures that are adequate to those risks, and we obtain evidence of the audit that is sufficient and adequate to constitute a basis of our opinion. The risk of failure to detect a material misstatement resulting from fraud is higher than the one resulting from an error, because the fraud may include conspiracy, forgery, deliberate omissions, misleading or circumventing of the internal control;
- we gain our understanding of the internal control for auditing purposes in order to design audit procedures that are adequate to the specific circumstances, but not to express an opinion concerning the effectiveness of the Group's internal control;
- we evaluate the adequacy of the applied accounting policies as well as the rationale of accounting estimates and
- related disclosures made by the Management Board of the Parent Company;
- we draw conclusions concerning the adequacy of the going concern principle applied by the Management Board of the Parent Company as the accounting basis, and on the basis of the gathered audit evidence, whether there is material uncertainty related to the events or conditions that could undermine the Group's ability to continue its business activities. Should we conclude that there is material uncertainty, in the auditor's report we must draw attention to the related disclosures made in the consolidated financial statements or, if such disclosures are inadequate, adjust our opinion. Our conclusions are based on audit evidence gathered until the date of the audit report, however any later events or circumstances could cause the Group to discontinue its business activities;
- we evaluate the general presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner ensuring reliable presentation thereof.

- we obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group’s audit, and we are exclusively responsible for our audit opinion.

We communicate audit-related information to the Supervisory Board and the Audit Committee of the Parent Company, among others the planned scope and the timing of the audit as well as any material findings of the audit, including any material internal control vulnerabilities identified during the audit.

We issued a statement to the Audit Committee of the Parent Company that we have complied with the relevant ethical independence requirements and communicate to it any and all associations and other matters that could reasonably be considered to threaten our independence and, where applicable, report on any safeguards put in place. Among the matters communicated to the Supervisory Board of the Parent Company we have established those that were of most significance in our audit of the consolidated financial statements of the reporting year, identifying them as the Key Audit Matters. We describe these matters in our auditor report,

in section ‘Key Audit Matters’, unless law or regulations prohibit their public disclosure or where, in exceptional circumstances, we determine that a given matter should not be communicated in our report because of adverse consequences that could reasonably be expected to outweigh the public benefits of such disclosure.

According to the Auditors Act, we are also obliged to include in the audit report an opinion on whether the consolidated financial statements comply in terms of form and contents with the legal regulations applicable to the Group as well as the articles of association of the Parent Company. We have formulated our opinion in this regard based on the work carried out during the audit.

Other Information and the Management Report

Other information means financial and non-financial information included in the consolidated annual report other than the consolidated financial statements and the audit report. Such other information comprises the management report of the Group for the financial year ended on 31 March 2024 (“Management Report”) and the corporate governance declaration referred to

in Article 49.2(a) of the Accounting Act, and the non-financial information disclosure referred to in Article 55.2b of the Accounting Act, which are separate parts of that management report of the Group, hereinafter ‘Other information’.

Liability of the Parent Company Management Board and Supervisory Board

The Management Board of the Parent Company is responsible for the preparation of Other Information in compliance with the law.

The Management Board of the Parent Company and members of its Supervisory Board ensure that the Management Report of the Group, together with the separate parts, meets the requirements defined in the Accounting Act and the Minister of Finance

Regulation of 29 March 2018 on current and periodic information provided by issuers of securities on current and periodical reports submitted by the issuers of securities and on the conditions of recognizing equivalence of information required by laws of non-member states ('Current and Periodic Information Regulation').

Liability of the Auditor

Our consolidated financial statements audit opinion does not apply to Other Information. In connection with the audit of the financial statements, it was our obligation to read Other information, and while doing so to consider whether it is materially inconsistent with the consolidated financial statements, our knowledge obtained during the audit, or otherwise seemed distorted. If on the basis of the completed work we identify a material misstatement in Other Information, we are obligated to mention it in our audit report.

According to the Auditor Act we are required to issue an opinion whether the Management Report was prepared in compliance with the law and whether it is consistent with the information disclosed in the consolidated financial statements.

In addition, we are required to communicate whether the Group has issued the non-financial information disclosure and issue an opinion whether the Group included the required information in the corporate governance declaration.

The Management Report

The Management Report of the Group was prepared together with the separate management report of Kredyt Inkaso S.a. as one document in the form of an electronic file named KISASZzDz_2024-03-31_pl, bearing the electronic signatures of the Management Board of the Parent Company placed on 11 July 2024.

Opinion on the Management Report

In our opinion, based on the work carried out in connection with the audit of the consolidated financial statements, the attached management report of the Group for the financial year ended 31 March 2024:

- was prepared in compliance with Article 49 of the Accounting Act and section 71 of the Current and Periodic Information Regulation,
- the information contained there is consistent with the information disclosed in the audited consolidated financial statements.

We certify that considering our knowledge of the Group and its environment obtained during this audit we have found no material misstatements in the Management Report of the Group.

Opinion on the Corporate Governance Declaration

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

- the corporate governance declaration contains the information referred to in section 70(6)(5) of the Current and Periodic Information Regulation, the information referred to in section 70(6)(5) items (c)-(f), (h) and (i) of that Regulation contained in the corporate governance declaration are consistent with the

applicable regulations and information disclosed in the audited consolidated financial statements.

Information on the Non-financial Information Disclosure

In compliance with the requirements of the Auditors Act, we confirm that the Management Board of the Parent Company prepared the non-financial information disclosure referred to in Article 55.2b of the Accounting Act as a separate part of the Management Report of the Group.

We have not performed any assurance studies of the separate non-financial information disclosure and cannot express any assurance as to it.

Report on Other Legal and Regulatory Requirements

Opinion on the compliance of the consolidated financial statements prepared in a uniform electronic reporting format with the requirements of the uniform electronic reporting format regulation

In connection with the audit of the consolidated financial statements, we were engaged to perform certain assurance services in order to gain reasonable assurance allowing us to express an opinion as to whether the consolidated financial statements as at and for the year ended 31 March 2023 were prepared using the uniform electronic reporting format (file kri- 2024-03-31-p, hereinafter ‘consolidated financial statements in ESEF format’) have been labelled in conformity with the requirements of Article 4 of Commission Delegated Regulation (EU) No 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards concerning the specification of a single electronic reporting format (‘ESEF Regulation’).

Criteria and Description of Service

The consolidated financial statements in ESEF format were prepared by the Management Board of the Parent Company with the intent of ensuring the conformity with the labelling requirements and the technical requirements of the uniform electronic reporting format that are set out in the ESEF Regulation.

In our services we have been commissioned to gain reasonable assurance as to the conformity of the labelling of the consolidated financial statements in ESEF format with the requirements of the ESEF Regulation, and the requirements set out therein are, in our opinion, the appropriate criteria that can be used as a basis for our opinion.

Liability of the Parent Company’s Management Board and Supervisory Board

The Management Board of the Parent Company is responsible for preparing the consolidated financial statements in ESEF format in conformity with the labelling requirements and the technical requirements of the uniform electronic reporting format, which are set out in the ESEF Regulation. This responsibility includes the selection and application of appropriate XBRL tags based on the taxonomy specified in the ESEF Regulation.

Its responsibility also includes designing, implementing and maintaining a system of internal control to ensure that the consolidated financial statements are prepared in ESEF format free from material inconsistencies with the requirements of the ESEF Regulation.

The members of the Supervisory Board of the Parent Company are responsible for supervising the financial reporting process, including the preparation of financial statements in conformity with the format required by law.

Liability of the Auditor

The objective of our assurance services was to express an opinion providing reasonable assurance as to whether the consolidated financial statements in ESEF format have been labelled in conformity with the requirements of the ESEF Regulation.

We performed these services in line with the National Standard on Assurance Engagements applicable to audits of financial statements prepared in uniform electronic reporting format ('3001pl Standard') and, where applicable, with the National Standard on Assurance Engagements Other than Audits and Reviews 3000 (Z) as set out in International Standard on Assurance Engagements 3000 (Revised) - "Assurance Engagements Other than Audits and Reviews of Historical Financial Information" ('3000 (Z) Standard').

This standard requires the auditor to plan and perform procedures in such a way as to obtain reasonable assurance that the consolidated financial statements in ESEF format have been prepared in accordance with specified criteria.

Reasonable assurance means a high level of certainty but it does not guarantee that the service performed in line with 3001pl Standard and, as applicable, 3000 (Z) Standard would always detect a material misstatement.

The choice of the auditing procedures depends on the auditor's discretion, including the auditor's assessment of the risk of material misstatements caused by fraud or error. In the assessment of this risk, the auditor considers the internal control relevant to the preparation of the consolidated financial statements in ESEF format, in order to plan appropriate procedures ensuring that the auditor has sufficient and appropriate evidence in a given situation. The assessment of the internal control system has not been carried out in order to express an opinion on its effectiveness.

Summary of Service Performed

The procedures we planned and carried out included:

- clarification of the process of preparing the consolidated financial statements in ESEF format, including the process of selecting and applying XBRL tags by the Group, and the process of ensuring compliance with the ESEF Regulation, including understanding of the internal control system mechanisms involved in this process;
- comparison of labels used in the consolidated financial statements in ESEF format versus to the audited consolidated financial statements; the specifications

of the uniform electronic reporting format; assessment of the complete XBRL tag labelling of information used in the consolidated financial statements;

- assessment of the appropriate use of XBRL tags defined in the ESEF Regulation taxonomy and the use of any taxonomy extensions in places where the fundamental taxonomy under the ESEF Regulation does not specify any appropriate elements;

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion concerning the compliance of the labelling of information with the ESEF Regulation requirements.

- using a specialized IT tool to assess the compliance with the technical standards

Ethical Requirements and Independence

When performing the service, the head auditor and PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k. ('PKF Consult') complied with the requirements of independence and other ethical requirements as set out in the IESBA Code. The IESBA Code is based on the fundamental principles of integrity, objectivity, professional competence and due diligence, confidentiality and professional conduct. We have also complied with other independence and ethics requirements applicable to this assurance service in Poland.

Quality Control Requirements

PKF Consult follows national quality control standards implemented by the Council of the Polish Audit Oversight Agency (PANA). According to the National Quality Control Standard 1, as amended by the International Quality Management Standard (PL) 1, PKF Consult has designed, implemented and applies a comprehensive quality management system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Opinion on Compliance with ESEF Regulation

The auditor opinion is based on the above and therefore this opinion should be interpreted as having taken into account those issues and matters.

that day have been labelled, in all material respects, in conformity with the requirements of the ESEF Regulation.

In our opinion, the enclosed consolidated financial statements in ESEF format as at 31 March 2024 and for the year ended

Other Information and Disclosures under Regulation 537/2014

Auditor Selection and Total Period of Engagement

We have been selected to audit the consolidated financial statements of the Group based on the Supervisory Board Resolution No. X/5/1/2022 of 9 August 2022. We have continuously auditing consolidated financial statements of the Group over a period when the Parent Entity is a public-interest entity, including extension of this engagement and our re-appointment for the next 2 years.

Non-audit Services

To the best of our knowledge and belief, any non-audit services that we have provided to the Group comply with the laws and regulations applicable in Poland, and we have not provided any non-audit services that would be prohibited under Article 5(1) of the Regulation 537/2014 and Article 136 of the Auditors Act.

Such non-audit services we provided to the Group during the period under review are listed in Note 3.13 in the Management Report of the Group and the Company.

Cezary Bąkiewicz

Statutory Auditor, lic. 12232

chief auditor

on behalf of PKF Consult Grupa z ograniczoną odpowiedzialnością Sp. k. (audit firm licence 477)

ul. Orzycka 6 lok. 1B 02-695 Warsaw, Poland

Warsaw, 11 July 2024