



KREDYT INKASO

Kredyt Inkaso Capital Group

Interim Consolidated and Separate Financial Statements for 9 months ended **31.12.2024**

Warsaw, 26 February 2025



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SELECTED CONSOLIDATED FINANCIAL DATA OF THE CAPITAL GROUP

	31/12/2024	31/03/2024	31/12/2024	31/03/2024
	'000 PLN		'000 EUR	
Selected financial indicators				
Net financial debt	383,013	367,536	89,636	85,456
Shareholders Equity	347,415	353,229	81,305	82,129
Net financial debt/equity ratio	1.10	1.04	1.10	1.04
PLN/EUR exchange rate at the balance sheet date	4.2730	4.3009	4.2730	4.3009
Consolidated Statement of Financial Position				
Total assets	911,848	868,852	213,398	202,016
Total liabilities	564,433	515,623	132,093	119,887
Long-term liabilities	374,038	381,149	87,535	88,621
Short-term liabilities	190,395	134,474	44,558	31,266
Equity	347,415	353,229	81,305	82,129
Equity attributable to shareholders of the parent company	347,273	352,545	81,272	81,970
	01/04/2024- 31/12/2024	01/04/2023- 31/12/2023 restated	01/04/2024- 31/12/2024	01/04/2023- 31/12/2023 restated
Consolidated Statement of Profit or Loss				
Net revenue	180,174	183,092	41,915	40,951
Income (loss) on operating activities	43,868	62,995	10,205	14,090
Earnings before tax	5,084	24,304	1,183	5,436
Net profit (loss) from continuing operations	(9 197)	22,723	(2,139)	5,082
Profit (loss) from discontinued operations	4,803	6,737	1,117	1,507
Net profit (loss)	(4,394)	29 460	(1,022)	6 589
Net profit (loss) attributable to shareholders of the parent company	(4,636)	28 706	(1,078)	6 420
Earnings per share in PLN	(0.36)	2.23	(0.08)	0.50
Diluted earnings per share in PLN	(0.36)	2.23	(0.08)	0.50
Average PLN/EUR exchange rate during the period	4.2985	4.4710	4.2985	4.4710
Consolidated Statement of Cash Flows				
Net cash from operating activities	124,549	132,024	28,975	29,529
Net cash from investment activities	(98,223)	(183 786)	(22,850)	(41,106)
Net cash from financing activities	(30 558)	85,628	(7 109)	19,152
Change due to exchange rate differences	(1,877)	(3,269)	(437)	(731)
Net change in cash and cash equivalents (including foreign exchange differences)	(6,109)	30,597	(1,421)	6,843
Average PLN/EUR exchange rate during the period	4.2985	4.4710	4.2985	4.4710

SELECTED FINANCIAL FIGURES OF THE COMPANY

	31/12/2024	31/03/2024	31/12/2024	31/03/2024
	'000 PLN		'000 EUR	
Statement of Financial Position				
Total assets	468,135	480,259	109,557	111,665
Total liabilities	394,848	394,852	92,405	91,807
Long-term liabilities	267,041	305,360	62,495	70,999
Short-term liabilities	127,807	89,492	29,910	20,808
Equity	73,287	85,407	17,151	19,858
Share capital	12,897	12,897	3,018	2,999
PLN/EUR exchange rate at the balance sheet date	4.2730	4.3009	4.2730	4.3009

	01/04/2024- 31/12/2024	01/04/2023- 31/12/2023	01/04/2024- 31/12/2024	01/04/2023- 31/12/2023
Statement of Profit or Loss				
Net revenue	76,260	70,190	17,741	15,699
Income (loss) on operating activities	(3,073)	1,264	(715)	283
Earnings before tax	(4,406)	(1,965)	(1,025)	(439)
Net profit (loss)	(12,097)	(842)	(2,814)	(188)
Earnings per share in PLN	(0.94)	(0.07)	(0.22)	(0.015)
Diluted earnings per share in PLN	(0.94)	(0.07)	(0.22)	(0.015)
Average PLN/EUR exchange rate during the period	4.2985	4.4710	4.2985	4.4710

Consolidated Statement of Cash Flows				
Net cash from operating activities	693	(78)	161	(17)
Net cash from investment activities	20,266	(4,621)	4,715	(1,034)
Net cash from financing activities	(42,514)	36,680	(9,890)	8,204
Net change in cash and cash equivalents	(21,555)	31,981	(5,015)	7,153
Average PLN/EUR exchange rate during the period	4.2985	4.4710	4.2985	4.4710

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	01/04/2024- 31/12/2024	01/10/2024- 31/12/2024	01/04/2023- 31/12/2023 restated	01/10/2023- 31/12/2023 restated
Net revenue					
Interest income on debt portfolios calculated using the effective interest rate method		131,092	43,562	113,202	40,659
Portfolio revaluation	4.1	47,087	15,341	68,198	17,267
Other income/expenses	4.2	1,995	1,332	1,692	563
Total net revenue		180,174	60,235	183,092	58,489
Payroll and employee benefits		(50,871)	(20,958)	(42,322)	(15,561)
Depreciation/amortisation		(5,860)	(1,872)	(6,318)	(2,158)
Third party services		(41,174)	(14,135)	(35,458)	(12,711)
Court and enforcement fees		(38,467)	(14,561)	(30,716)	(11,564)
Other operating costs		66	862	(5,283)	(1,982)
Total operating expense	5	(136,306)	(50,664)	(120,097)	(43,976)
Profit (loss) on operating activities		43,868	9,571	62,995	14,513
Financial income, including:	6	2,607	703	2,148	830
interest on instruments measured at amortised cost		1,719	423	2,032	720
Finance cost, including:	6	(41,391)	(13,971)	(40,839)	(16,931)
interest on instruments measured at amortised cost		(38,292)	(12,758)	(33,175)	(11,837)
Earnings before tax		5,084	(3,697)	24,304	(1,588)
Income tax	7	(14,281)	(12,052)	(1,581)	801
Net profit (loss) from continued operations		(9,197)	(15,749)	22,723	(787)
Net profit (loss) from discontinued operations	14	4,803	2,060	6,737	1,790
Net profit (loss)		(4,394)	(13,689)	29,460	1,003
Net profit attributable to:					
Shareholders of the parent company		(4,636)	(13,910)	28,706	994
Non-controlling interests		242	221	754	9
Earnings per share in PLN					
ordinary	12.5	(0.36)	(1.08)	2.23	0.08
diluted	12.5	(0.36)	(1.08)	2.23	0.08
From continuing operations:					
ordinary	12.5	(0.73)	(1.24)	1.71	(0.06)
diluted	12.5	(0.73)	(1.24)	1.71	(0.06)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	01/04/2024- 31/12/2024	01/10/2024- 31/12/2024	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023
Net profit (loss)		(4,394)	(13,689)	29,460	1,003
Income (loss) on hedge accounting recognised in other comprehensive income	18.1	857	1,616	(841)	(841)
Amounts related to hedge accounting moved to profit or loss	18.1	(885)	(277)	(110)	(110)
Income tax	18.1	5	(255)	181	181
Foreign exchange differences on translation of foreign operations		(613)	(496)	(3,060)	(3,006)
Other comprehensive income		(636)	588	(3,830)	(3,776)
Total comprehensive income		(5,030)	(13,101)	25,630	(2,773)
Comprehensive income attributable to:					
shareholders of the parent company		(5,272)	(13,322)	24,876	(2,782)
non-controlling interests		242	221	754	9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note	31/12/2024	31/03/2024
Goodwill		4,948	4,948
Intangible assets		6,917	6,161
Tangible assets (PP&E)		12,447	14,627
Investment properties		9,997	10,199
Purchased debt portfolios	8	517,807	474,153
Receivables and loans granted	9	239	241
Derivative financial instruments	18.1	603	461
Long-term accruals		698	-
Deferred income tax assets	10	568	1,099
Non-current assets		554,224	511,889
Trade and other receivables	9	7,919	9,436
Current income tax receivables		47	33
Purchased debt portfolios	8	248,481	239,211
Derivative financial instruments	18.2	10	-
Short-term accruals		2,686	3,062
Cash and cash equivalents		83,661	92,459
Non-current assets classified as held for sale*	14	14,820	12,762
Current assets		357,624	356,963
Total assets		911,848	868,852

(*) including PLN 13,081 thousand of KI RUS cash as at 31 December 2024

Interim condensed consolidated financial statements for nine months ended 31.12.2024 (PLN '000).

Equity & Liabilities	Note	31/12/2024	31/03/2024
Share capital	12.1	12,897	12,897
Statutory capital reserve		116,078	104,145
Revaluation reserve		342	365
Foreign exchange differences on translation		(6,341)	(5,728)
Retained earnings, including		224,297	240,866
net profit attributable to shareholders of the parent company		(4,636)	33,340
profits brought forward		228,933	207,526
Equity attributable to shareholders of the parent company		347,273	352,545
Non-controlling interests		142	684
Total Equity		347,415	353,229
Borrowings and other debt instruments	13	356,737	369,814
Lease liabilities		6,336	8,008
Long-term accruals		4	7
Deferred tax provision	10	10,961	3,320
Long-term liabilities		374,038	381,149
Trade payables and other liabilities ***		56,807	15,413
Current income tax liabilities		1,132	2,341
Borrowings and other debt instruments	13	112,592	88,425
Lease liabilities		3,764	3,655
Other short-term provisions **		9,304	15,792
Short-term accruals		3,998	6,124
Liabilities related to non-current assets held for sale*	14	2,798	2,724
Short-term liabilities		190,395	134,474
Total liabilities		564,433	515,623
Total Equity & Liabilities		911,848	868,852

(*) including PLN 326 thousand lease liabilities of KI RUS as at 31 December 2024.

(**) the decrease in the provisions resulted from the reversal of a part of the provision intended to secure the withholding tax of the Romanian unit, approx. PLN 4.3 million, in consequence of the determinations finally included in adjusted tax returns.

(***) the increase in trade liabilities results in particular from the portfolio purchased for PLN 36.8 million but paid after the balance sheet date

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	01/04/2024- 31/12/2024	01/04/2023- 31/12/2023
Earnings before tax, including:		11,099	32,272
- Earnings before tax – continued operations		5,084	24,304
Earnings before tax – discontinued operations	14	6,015	7,968
Adjustments:			
Depreciation of tangible assets (PP&E)		3,442	3,294
Amortisation of intangible assets		2,572	3,163
Purchased debt portfolios - difference between repayments and interest income	8	137,203	144,476
Purchased debt portfolios - portfolio revaluation	8	(55,447)	(78,236)
Finance expenses	6 and 14	39,514	35,135
Finance income	6 and 14	(4,171)	(2,722)
Profit (loss) due to exchange rate differences		1,925	5,836
Other adjustments		(838)	(1,871)
Total adjustments		124,200	109,075
Change in receivables		1,854	1,049
Change in payables	17	3,601	(2,174)
Change in capital reserves and prepayments/accruals		(7,875)	(2,520)
Cash from operating activities		132,879	137,002
Income tax paid		(8,330)	(5,678)
Net cash from operating activities		124,549	132,024
Debt portfolio purchase	8 and 17	(98,691)	(185,161)
Proceeds from sale of investment properties		1,104	1,316
Proceeds from other financial assets		-	800
Proceeds from sale of tangible assets (PP&E)		-	52
Expenses for acquisition of intangible assets		(3,329)	(2,385)
Expenses for acquisition of tangible assets (PP&E)		(590)	(1,020)
Interest received		3,283	2,612
Net cash from investment activities		(98,223)	(183,786)
Proceeds from borrowings	13	42,709	82,241
Proceeds from issue of debt securities	13	29,095	85,741
Redemption of debt securities	13	(12,764)	(15,552)
Proceeds from settled hedging transactions	18.1	714	-
Repayments of borrowings	13	(51,137)	(35,068)
Payments of lease liabilities		(3,435)	(3,530)
Interest paid		(34,956)	(27,504)
Dividends paid to owners		(784)	(700)
Net cash from financing activities		(30,558)	85,628
Net change in cash and cash equivalents (excluding foreign exchange differences)		(4,232)	33,866
Change due to exchange rate differences		(1,877)	(3,269)
Net change in cash and cash equivalents(including foreign exchange differences)		(6 109)	30,597
Cash and cash equivalents at the beginning of the period		102,851	45,640
- from discontinued operations	14	10,392	10,371
Cash and cash equivalents at the end of the period		96,742	76,237
- from discontinued operations	14	13,081	8,803

Interim condensed consolidated financial statements for nine months ended 31.12.2024 (PLN '000).

For better comparability of data and due to the lack of detailed guidelines in IFRS 5 and IAS 7 regarding the statement of cash flows in a situation where a part of the Group's activities is classified as discontinued operations, the Group has decided not to separate the cash flows related to the Russian subsidiary from the consolidated statement of cash flows. More details of cash flows related to discontinued operations are presented in note 14.

Interim condensed consolidated financial statements for nine months ended 31.12.2024 (PLN '000).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Statutory capital reserve	Revaluation reserve	Foreign exchange differences on translation	Retained earnings	Equity attributable to shareholders of the parent company	Non-controlling interests	Total Equity
As at 01 April 2024	12,897	104,145	365	(5,728)	240,866	352,545	684	353,229
Dividends	-	-	-	-	-	-	(784)	(784)
Net profit	-	-	-	-	(4,636)	(4,636)	242	(4,394)
Other comprehensive income	-	-	(23)	(613)	-	(636)	-	(636)
Total comprehensive income	-	-	(23)	(613)	(4,636)	(5,272)	242	(5,029)
Allocation of result	-	11,933	-	-	(11,933)	-	-	-
Total changes in equity	-	11,933	(23)	(613)	(16,569)	(5,272)	(542)	(5,813)
As at 31 December 2024	12,897	116,078	342	(6,341)	224,297	347,273	142	347,415

Interim condensed consolidated financial statements for nine months ended 31.12.2024 (PLN '000).

	Share capital	Statutory capital reserve	Revaluation reserve	Foreign exchange differences on translation	Retained earnings	Equity attributable to shareholders of the parent company	Non-controlling interests	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

1.1. Parent company details

Kredyt Inkaso 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
PKD (Polish Statistical Classification):	64.99.Z - other financial service activities, not classified elsewhere, except insurance and pension funds

The main operating activity of the Parent Company is the management of debt portfolios, including 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 Company's management and supervisory bodies as at the balance sheet date and report approval date

1.2.1. Management Board

Composition of the Management Board as at the balance sheet date and the Approval Date:

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

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

1.2.2. Supervisory Board

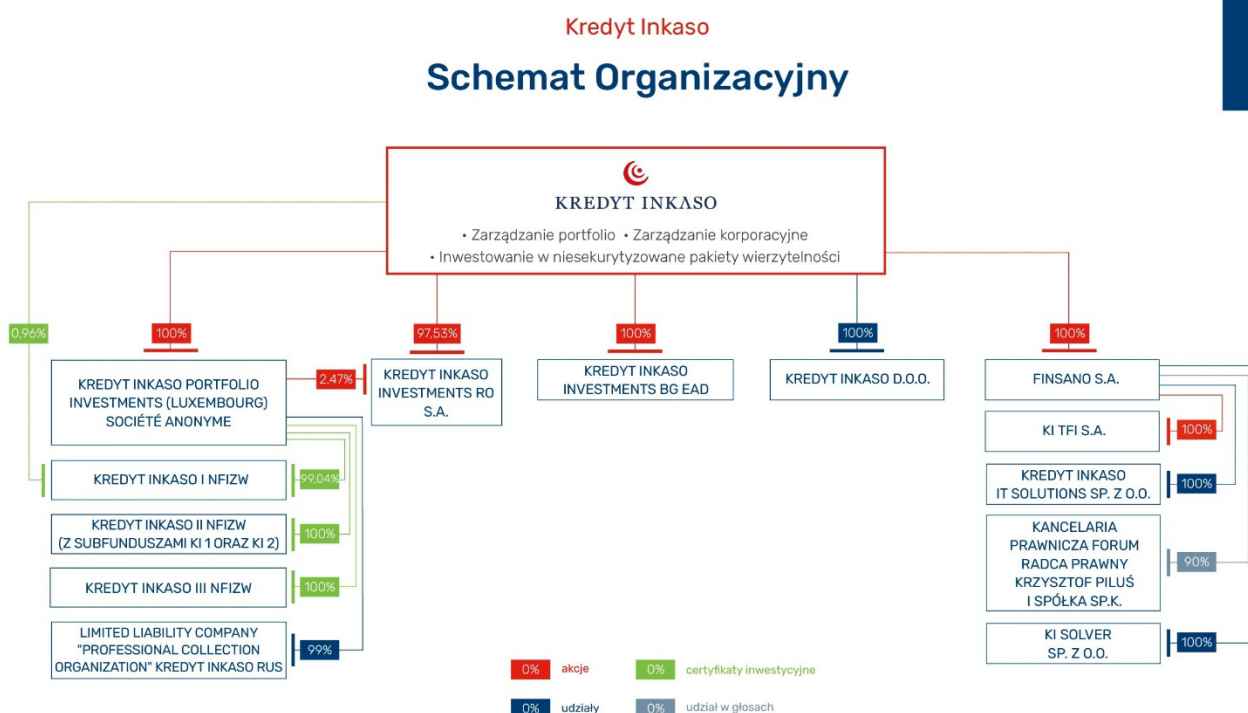
Composition of the Supervisory Board at the balance sheet date and the Approval Date:

Bogdan Dzdzewicz	Chairman of Supervisory Board
Tomasz Karpiński	Vice Chairman of Supervisory Board
Piotr Urbańczyk	Board Member
Raimondo Eggink	Board Member
Karol Sowa	Board Secretary

Changes in the composition of the Supervisory Board:

- on 27 September 2024, once the term of office has expired for the then members of the Supervisory Board, the Annual General Meeting appointed Mr Marcin Okoński and Piotr Urbańczyk to the vacancies.
- along with this change in the Supervisory Board also the Audit Committee subordinate to it changed its composition and since 2 October 2024 Mr Piotr Urbańczyk has been a member of the Audit Committee, which as at the Approval Date also hosts Mr Raimondo Eggink and Mr Tomasz Karpiński.

1.3. Capital Group details



This chart shows the Group's organisational structure on the balance sheet date.

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 the entity	Seat	Shareholding	Voting rights	Core business
Kancelaria Prawnicza FORUM radca prawny Krzysztof Piliś i spółka Sp.k.	Warsaw, Poland	84%	90%	Legal services
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 services
Kredyt Inkaso Investments RO S.A.	Bucharest, Romania	100%	100%	Investment in debt portfolios, servicing debt assets
Kredyt Inkaso Investments BG EAD	Sofia, Bulgaria	100%	100%	Investment in debt portfolios, servicing debt assets
Limited Liability Company "Professional Collection Organization" Kredyt Inkaso RUS	Moscow, Russia	99%	99%	Investment in debt portfolios, servicing debt assets
Kredyt Inkaso d.o.o.	Zagreb, Croatia	100%	100%	Investment in debt portfolios, servicing debt assets
Kredyt Inkaso Portfolio Investments (Luxembourg) Société Anonyme	Luxembourg	100%	100%	Investment in debt portfolios, investment in securities carrying risk related to debt claims
Kredyt Inkaso I NFIZW	Warsaw, Poland	100%	100%	Investment in debt portfolios
Kredyt Inkaso II NFIZW	Warsaw, Poland	100%	100%	Investment in debt portfolios
Kredyt Inkaso III NFIZW	Warsaw, Poland	100%	100%	Investment in debt portfolios
KI Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna	Warsaw, Poland	100%	100%	Establishment and management of investment funds
KI Solver Sp. z o.o.	Warsaw, Poland	100%	100%	Debt assets servicing

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 2024 and include:

- comparative figures for the nine months ended 31 December 2023 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 2024 in the statement of financial position.
- current and comparative data for the three months ended 31 December 2024 and 2023, respectively, for 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 2024.

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 2024 include the financial statements of the Parent Company 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. The going concern assumption for the Group entities is reasonable also in view of the potential merger of the parent company with another 'going concern' subsidiary, including by way of acquisition of the parent by such other subsidiary that is a going concern business (cf. Note 15).

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 the preparation of the interim condensed consolidated financial statements, the Parent's Management Board makes estimates, judgements and assumptions regarding the measurement of individual assets and liabilities. Estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Although the estimates are based on the best knowledge of current circumstances, the 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 or *Purchased or Originated Credit-Impaired financial assets*).

The valuation of each debt portfolio is determined by the Group using the estimation method, as the present value of the expected cash proceeds 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.

Debt portfolios are divided into groups with claims that are similar in terms of possible measures and business assumptions. Then, using the model, the repayment for the entire package is calculated. The expected recovery expense curve is linked to historic measures taken in the past towards the relevant groups of cases.

2.3.2. Useful life of non-current 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 amortisation 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 recognised in correspondence with the profit and loss account.

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 recognised in the profit and loss account 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 recognised 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 realised. Deferred tax assets related to unused tax losses or unused tax credits are recognised up to the amount to which it is probable that taxable income will be realised.

The Group has control over the realisation 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 realisation 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,

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 policies

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 2024, except for the first-time application standards described below.

2.4.1. Foreign currency transactions

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 realisation, 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 2024 (9 months)	Average rate	Rate at the end of reporting period
1 RON	0.8638	0.8589
1 BGN	2.1978	2.1847
1 RUB	0.0420	0.0375
1 EUR	4.2985	4.2730

Reporting period ended 31 December 2023 (9 months)	Average rate	Rate at the end of reporting period
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 March 2024 (full year)	Average rate	Rate at the end of reporting period
1 RON	0.8935	0.8655
1 BGN	2.2668	2.1990
1 RUB	0.0456	0.0430
1 EUR	4.4335	4.3009

2.4.2. Operating segments

An operating segment is the part of an 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:

- 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 organisational 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. Non-current assets held for sale and discontinued operations

A Group classifies a non-current asset (or a disposal group) as 'held for sale' if its carrying amount is recoverable primarily through a sale transaction rather than through its continued use. This is the case of an asset (or disposal group) that immediately available for sale in its current condition, subject only to normal and customary conditions for selling such an asset

(or disposal group), and insofar as its sale is highly probable. The necessary activities leading to the finalization of the sale should imply that significant changes in or withdrawal from the sale is unlikely. The management must be committed to the sale action plan and the sale should be expected to be finalized within one year of the date of classification. The Group measures a non-current asset (or disposal group) 'held for sale' at the lower of its carrying amount or its fair value less selling costs.

An entity determined to make a sale that involves a loss of control in a subsidiary classifies all assets and liabilities of that subsidiary as held for sale, regardless of whether the entity maintains non-controlling interests in the entity that was previously its subsidiary after the sale.

Assets and liabilities classified as held for sale are presented separately in the short-term items of the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and shown in a separate line as profit or loss after taxation of discontinued operations in the profit and loss account.

As a result of the pending sale of KI RUS , in FY 2023/24 the Group has made the decision to classify the operations of the Russian company as discontinued, and the assets and liabilities of the said entity as held for sale. Additional disclosures can be found in note 14.

2.4.4. Statement of Cash Flows

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 2024/25:

- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 (Amendment) "Financial Instruments: Disclosures" - supplier finance arrangements (effective for annual periods beginning on or after 1 January 2024).
- 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),
- 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).

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 published by the IASB but not yet approved for use by the EU

New standards and amendments to existing standards as well as IASB interpretations that have already been published by the IASB but not yet approved for use by the EU:

- IFRS 19 'Subsidiaries Without Public Liability: Disclosures' (published 9 May 2024, applicable to annual periods beginning on or after 1 January 2027).
- IFRS 18 'Presentation and Disclosures in Financial Statements' (published 9 April 2024, applicable to annual periods beginning on or after 1 January 2027).
- Annual Improvements to IFRS , Part 11 (published 18 July 2024, applicable to annual periods beginning on or after 1 January 2026).
- Changes in the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7, published 30 May 2024, applicable to annual periods beginning on or after 1 January 2026).
- 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).

2.7. Changes in significant accounting policies and error adjustments

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

In the course of the preparation of these interim consolidated financial statements, the following presentation change has been made in order to better reflect the economic essence and improve the usefulness of the presented data:

- a) In the profit and loss account, the costs of court and enforcement fees were distinguished among other operating costs,

As KI RUS has been classified as 'discontinued operations', the comparative data for three- and nine-month periods ended on 31 December 2023 were restated: the financial result and consolidation adjustments concerning the Russian entity have been included in the result for discontinued operations.

The data presented in the published financial statements for three and nine months ended 31 December 2023 have been made comparable.

The following is the impact of the above described transformations on the individual profit and loss account for three and nine months ended 31 December 2023.

	01/04/2023- 31/12/2023 original figures	alienation of discontinued operations	change in presentation a)	01/04/2023- 31/12/2023 restated figures
Net revenue				
Interest income on debt portfolios calculated using the effective interest rate method	113,275	(73)	-	113,202
Portfolio revaluation	78,236	(10,038)	-	68,198
Other income/expenses	3,629	(1,937)	-	1,692
Total net revenue	195,140	(12,048)	-	183,092
Payroll and employee benefits	(44,898)	2,576	-	(42,322)
Depreciation/amortisation	(6,457)	139	-	(6,318)
Third party services	(37,032)	1,574	-	(35,458)
Court and enforcement fees	-	(1)	(30,715)	(30,716)
Other operating costs	(36,232)	234	30,715	(5,283)
Total operating expense	(124,619)	4,522	-	(120,097)
Profit (loss) on operating activities	70,521	(7,526)	-	62,995
Financial income, including:	2,722	(574)	-	2,148
interest on instruments measured at amortised cost	2,606	(574)	-	2,032
Finance cost, including:	(40,971)	132	-	(40,839)
interest on instruments measured at amortised cost	(33,175)	-	-	(33,175)
Earnings before tax	32,272	(7,968)	-	24,304
Income tax	(2,812)	1,231	-	(1,581)
Net profit (loss) from continued operations	29,460	(6,737)	-	22,723
Net profit (loss) from discontinued operations	-	6,737	-	6,737
Net profit (loss)	29,460	-	-	29,460
Net profit attributable to:				
Shareholders of the parent company	28,706	-	-	28,706
Non-controlling interests	754	-	-	754

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	01/10/2023- 31/12/2023 original figures	alienation of discontinued operations	change in presentation a)	01/10/2023- 31/12/2023 restated figures
Net revenue				
Interest income on debt portfolios calculated using the effective interest rate method	40,680	(21)	-	40,659
Portfolio revaluation	20,760	(3,493)	-	17,267
Other income/expenses	520	43	-	563
Total net revenue	61,960	(3,471)	-	58,489
Payroll and employee benefits	(16,418)	857	-	(15,561)
Depreciation/amortisation	(2,204)	46	-	(2,158)
Third party services	(13,207)	496	-	(12,711)
Court and enforcement fees	-	-	(11,564)	(11,564)
Other operating costs	(13,605)	59	11,564	(1,982)
Total operating expense	(45,434)	1,458	-	(43,976)
Profit (loss) on operating activities	16,526	(2,013)	-	14,513
Financial income, including:	1 101	(271)	-	830
interest on instruments measured at amortised cost	991	(271)	-	720
Finance cost, including:	(16,943)	12	-	(16,931)
interest on instruments measured at amortised cost	(11,837)	-	-	(11,837)
Earnings before tax	684	(2,272)	-	(1,588)
Income tax	319	482	-	801
Net profit (loss) from continued operations	1,003	(1,790)	-	(787)
Net profit (loss) from discontinued operations	-	1,790	-	1,790
Net profit (loss)	1,003	-	-	1,003
Net profit attributable to:				
Shareholders of the parent company	994	-	-	994
Non-controlling interests	9	-	-	9

3. Operating segments

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

01/04/2024-31/12/2024	Poland	Romania	Russia*	Bulgaria	Other	Total	Reconciliation of management data to reporting data (concerns the Russian segment)**	Total for continuing operations
Net revenue	134,450	30,620	8,381	15,086	7	188,544	(11)	180,174
Total operating expenses, including:	(106,770)	(16,979)	(3,854)	(8,198)	(4,374)	(140,175)	(15)	(136,306)
- depreciation/amortisation	(4,941)	(255)	(2)	(346)	(470)	(6,014)	(152)	(5,860)
Segment operating result	27,680	13,641	4,527	6,888	(4,367)	48,369	(26)	43,868
Finance income								2,607
Finance expenses								(41,391)

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01/04/2024-31/12/2024	Poland	Romania	Russia*	Bulgaria	Other	Total	Reconciliation of management data to reporting data (concerns the Russian segment)**	Total for continuing operations
Earnings before taxation								5,084
Income tax								(14,281)
Net profit (loss) from continued operations								(9,197)
(*) The Russian segment was classified as 'discontinued operations' in FY 2023/24, cf. note 14. (**) The reconciliation of management data to reporting data makes comparable the Russian segment data, presented as management figures (in which the periodic exchange rates are used to convert the figures for individual months of the financial year), to the reporting figures presenting the discontinued operations in these consolidated financial statements (in which the resulting data for the entire period are translated at the average rate).								

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

01/10/2024-31/12/2024	Poland	Romania	Russia*	Bulgaria	Other	Total	Reconciliation of management data to reporting data (concerns the Russian segment)**	Total for continuing operations
Net revenue	45,108	10,873	3,090	4,243	48	63,362	37	60,235
Total operating expenses, including:	(41,234)	(5,214)	(1,176)	(2,734)	(1,489)	(51,847)	(7)	(50,664)
- depreciation/amortisation	(1,563)	(87)	(1)	(116)	(156)	(1,923)	(50)	(1,872)
Segment operating result	3,874	5,659	1,914	1,509	(1,441)	11,515	30	9,571
Finance income								703
Finance expenses								(13,971)
Earnings before taxation								(3,697)
Income tax								(12,052)
Net profit (loss) from continued operations								(15,749)
(*) The Russian segment was classified as 'discontinued operations' in FY 2023/24, cf. note 14. (**) The reconciliation of management data to reporting data makes comparable the Russian segment data, presented as management figures (in which the periodic exchange rates are used to convert the figures for individual months of the financial year), to the reporting figures presenting the discontinued operations in these consolidated financial statements (in which the resulting data for the entire period are translated at the average rate).								

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

01/04/2023-31/12/2023 restated	Poland	Romania	Russia*	Bulgaria	Other	Total	Reconciliation of management data to reporting data (concerns the Russian segment)**	Total for continuing operations
Net revenue	130,219	33,932	12,057	19,276	(344)	195,140	(9)	183,092
Total operating expenses, including:	(89,970)	(19,468)	(4,529)	(6,991)	(3,661)	(124,619)	7	(120,097)
- depreciation/amortisation	(5,442)	(199)	(2)	(357)	(457)	(6,457)	(137)	(6,318)
Segment operating result	40,249	14,464	7,528	12,285	(4,005)	70,521	(2)	62,995
Finance income								2,148
Finance expenses								(40,839)
Earnings before taxation								24,304

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01/04/2023-31/12/2023 restated	Poland	Romania	Russia*	Bulgaria	Other	Total	Reconciliation of management data to reporting data (concerns the Russian segment)**	Total for continuing operations
Income tax								(1,581)
Net profit (loss) from continued operations								22,723

(*) The Russian segment was classified as 'discontinued operations' in FY 2023/24, cf. note 14.

(**) The reconciliation of management data to reporting data makes comparable the Russian segment data, presented as management figures (in which the periodic exchange rates are used to convert the figures for individual months of the financial year), to the reporting figures presenting the discontinued operations in these consolidated financial statements (in which the resulting data for the entire period are translated at the average rate).

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

01/10/2023-31/12/2023 restated	Poland	Romania	Russia*	Bulgaria	Other	Total	Reconciliation of management data to reporting data (concerns the Russian segment)**	Total for continuing operations
Net revenue	41,340	10,585	3,498	6,385	152	61,960	(27)	58,489
Total operating expenses, including:	(32,314)	(7,730)	(1,453)	(2,538)	(1,399)	(45,434)	(5)	(43,976)
- depreciation	(1,852)	(78)	(1)	(115)	(158)	(2,204)	(45)	(2,158)
Segment operating result	9,026	2,855	2,045	3,847	(1,247)	16,526	(32)	14,513
Finance income								830
Finance expenses								(16,931)
Earnings before taxation								(1,588)
Income tax								801
Net profit (loss) from continued operations								(787)

(*) The Russian segment was classified as 'discontinued operations' in FY 2023/24, cf. note 14.

(**) The reconciliation of management data to reporting data makes comparable the Russian segment data, presented as management figures (in which the periodic exchange rates are used to convert the figures for individual months of the financial year), to the reporting figures presenting the discontinued operations in these consolidated financial statements (in which the resulting data for the entire period are translated at the average rate).

	Poland	Romania	Russia**	Bulgaria	Other	Total
As at 31.12.2024						
Segment assets*	573,088	150,687	-	42,307	145,766	911,848
As at 31.03.2024						
Segment assets*	550,280	117,034	-	45,832	155,706	868,852

(*) The segment assets in segments that are not 'Other' segment reflect only the debt portfolios

(**) The Russian segment was classified as 'discontinued operations' in FY 2023/24 – in the above table, the book value of the Russian debt portfolios as at 31.12.2024 and 31.03.2024 (respectively, PLN 126 thousand and PLN 209 thousand) was presented in 'Other'.

Debtor recoveries presented as management data by geographic area are shown below (including the discontinued operations).

Repayments from debtors by geographic area	01/04/2024-31/12/2024	01/10/2024-31/12/2024	01/04/2023-31/12/2023	01/10/2023-31/12/2023
Poland	193,700	63,308	189,859	58,398
Romania	47,693	16,509	40,157	12,976
Russia	8,443	3,110	10,274	3,530

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Repayments from debtors by geographic area	01/04/2024-31/12/2024	01/10/2024-31/12/2024	01/04/2023-31/12/2023	01/10/2023-31/12/2023
Bulgaria	18,327	6,607	17,210	6,043
Croatia	142	51	251	67
Total	268,305	89,585	257,751	81,014

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

4. Net revenue

4.1. Debt portfolios revaluation

Portfolio revaluation	01/04/2024-31/12/2024	01/10/2024-31/12/2024	01/04/2023-31/12/2023 restated	01/10/2023-31/12/2023 restated
Forecast review	2,097	1,360	18,968	16,346
Deviation between actual and forecast payments	44,388	13,770	51,482	3,099
Extended period for forecast income gains	803	228	823	270
FX rate change	(201)	(17)	(3,075)	(2,448)
Total	47,087	15,341	68,198	17,267

Debt portfolios revaluation includes the following components:

- (1) Review of the recovery forecast:
 - (a) updated the future recovery curves, taking into account historical recoveries and recovery plans derived from statistical models;
 - (b) for security-backed portfolios - postponed and/or changed the value of forecast proceeds from such secured claims;
- (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 recovery times - the postponement of recovery into the next forecast period in order to keep the standard 15-years horizon of recovery estimation;
- (4) Changes in exchange rates - the impact of changes in exchange rates on debt portfolios denominated in foreign currencies.

The noticeable decrease in the value of deviation between actual and forecast debtor repayments in the nine-month period of FY 2024/25 (-14% y/y) resulted from the continued improvement of valuation models and the adaptation of their parameters to observable historical data, and, as far as reasonable, to trends and developments in the macroeconomic environment. The above results in the increasing precision of the applied models of debt portfolio measurement – in the nine months of the current year, the ratio of positive deviations in actual payments versus forecast to total payments was 17%, and 21% in the corresponding period of the previous year.

The effectiveness and accuracy of the measurement models in the reporting periods analysed were impacted by essentially the same factors that were described in more detail in the annual consolidated financial statements for the year ended 31 March 2024.

4.2. Other income/expenses

Other income/expenses	01/04/2024- 31/12/2024	01/10/2024- 31/12/2024	01/04/2023- 31/12/2023 restated	01/10/2023- 31/12/2023 restated
Income from debt management	1,039	242	1,645	489
Net income from property sales and acquisitions	752	1,100	(180)	11
Other income	125	(33)	229	57
Costs of (creation)/reversal of provision for customer overpayments	79	23	(2)	6
Total	1,995	1,332	1,692	563

5. Operating expenses

Costs by nature of expense	01/04/2024- 31/12/2024	01/10/2024- 31/12/2024	01/04/2023- 31/12/2023 restated	01/10/2023- 31/12/2023 restated
Payroll, social security and other employee benefits*	50,871	20,958	42,322	15,561
Third party services**	41,174	14,135	35,458	12,711
Court and enforcement fees	38,467	14,561	30,716	11,564
Depreciation/amortisation	5,860	1,872	6,318	2,158
Taxes and charges***	(4,749)	(1,962)	1,635	754
Consumables and energy	1,492	595	1,733	644
Other prime costs****	3,191	505	1,915	584
Total	136,306	50,664	120,097	43,976

(*) in connection with the planned merger of the Company with BEST S.A., during the nine months ended 31 December 2024, the Group recognised additional payroll costs of PLN 5.3 million, described in more detail in Note 15 to these financial statements

(**) in connection with the planned merger of the Company with BEST S.A., during the nine months ended 31 December 2024, the Group recognised additional third-party services related to the transaction advisor success fee, in the amount of PLN 2.5 million, described in more detail in Note 15 to these financial statements

(**) in the nine months ended 31 December 2024, in consequence of the determinations finally included in adjusted tax returns a part of the provision intended to secure the withholding tax of the Romanian unit was reversed, approx. PLN 4.3 million; in addition, the WHT expense paid in November 2024 in the final amount of PLN 2.6 million was shown in the Consolidated Statement of Profit or Loss in Income Tax (reclassified from Operating Expenses to Income Tax)

(****) in the nine months ended 31 December 2024, approx. PLN 1.4 million was recognised as the cost of the Company's obligation to refund investors their expenses under the review of strategic options

6. Finance income and expense

Finance income	01/04/2024- 31/12/2024	01/10/2024- 31/12/2024	01/04/2023- 31/12/2023 restated	01/10/2023- 31/12/2023 restated
Interest income on financial assets measured at amortised cost	1,719	423	2,032	720
Interest income on derivative financial instruments	885	277	110	110
Other finance income	3	3	6	-
Total	2,607	703	2,148	830

Interim condensed consolidated financial statements for nine months ended 31.12.2024 (PLN '000).

Finance expenses	01/04/2024- 31/12/2024	01/10/2024- 31/12/2024	01/04/2023- 31/12/2023 restated	01/10/2023- 31/12/2023 restated
Interest cost of financial liabilities	38,292	12,758	33,175	11,837
Other interest, including	904	282	1,488	450
on lease liabilities	861	256	1,029	311
Other finance expenses	318	130	472	60
Negative exchange differences	1,877	801	5,704	4,584
Total	41,391	13,971	40,839	16,931

7. Income tax

	01/04/2024- 31/12/2024	01/10/2024- 31/12/2024	01/04/2023- 31/12/2023 restated	01/10/2023- 31/12/2023 restated
Attributed to the current year	(6,104)	(3,639)	(2,465)	(495)
Attributed to previous years	-	-	-	-
Current income tax	(6,104)	(3,639)	(2,465)	(495)
Attributed to the current year	(8,177)	(8,413)	884	1,296
Deferred tax transferred from equity to profit or loss	-	-	-	-
Deferred income tax	(8,177)	(8,413)	884	1,296
Total taxable expense recognised in the current year	(14,281)	(12,052)	(1,581)	801

Tax rates applied by Group companies	01/04/2024-31/12/2024	01/04/2023-31/12/2023
Poland	19%*	19%
Romania	16%	16%
Bulgaria	10%	10%
Luxembourg	25%	25%
Russia	20%	20%
Croatia	10%	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.

	01/04/2024- 31/12/2024	01/10/2024- 31/12/2024	01/04/2023- 31/12/2023 restated	01/10/2023- 31/12/2023 restated
Earnings before taxation	5,084	(3,697)	24,304	(1,588)
Cost of income tax at the rate of 19%	(966)	702	(4,618)	301
Difference between the applicable tax rates and the 19% rate	934	253	1,626	493
Non-taxable income	3,486	1,298	1,812	(504)

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	01/04/2024- 31/12/2024	01/10/2024- 31/12/2024	01/04/2023- 31/12/2023 restated	01/10/2023- 31/12/2023 restated
Taxable revenues that are not accounting revenues **	(1,439)	(22)	(1)	-
Non-deductible expenses	(5,160)	(2,310)	(2,532)	(143)
Tax loss/credit activated (written off) ***	(8,539)	(9,207)	1,128	1,041
Repayable advances paid	-	-	(32)	(32)
Past period adjustments***	(2,610)	(2,610)	1	-
Tax deductible costs that are not accounting costs	199	15	-	-
Other items affecting the tax expense	(289)	(62)	42	23
Revaluation of deferred income tax asset/reserve	(218)	-	(289)	(32)
Non-taxable result of investment funds and KI LUX*	321	(109)	1,282	(346)
Income tax expense recognised in current period result	(14,281)	(12,052)	(1,581)	801
Effective tax rate	281%	(326%)	+7%	50%

(*) In order to increase data legibility, the Group made a presentation change that involved alienation of revenue and cost (from 'Non-taxable income' and 'Non-deductible expenses') reported by income tax-exempt investment funds and by Kredyt Inkaso Portfolio Investments (Luxembourg) S.A. (which is a securitization entity benefiting from a special tax regime in Luxembourg), and then showing their sum in a single line called 'Non-taxable result of investment funds and KI LUX'.

(**) in these financial statements, a presentation adjustment was made to the withholding tax of PLN 1.2 million on the dividend that was granted to KI LUX by KI RUS in July 2024, disclosed in the interim condensed consolidated financial statements for six months ended 30 September 2024 in line 'Non-taxable income of investment funds and KI LUX's' – this item was transferred to 'Taxable revenues that are not accounting revenues'. The current quarter figures were presented as if this adjustment had been included in the figures for the first half of this year.

(***) changes in 'tax loss/credit activated' are described in more detail in Note 10

(****) the amount of the adjustment relates to the withholding tax paid in November 2024 on recoveries from Romanian portfolios

8. Purchased debt portfolios

Types of debt portfolios	31/12/2024	31/03/2024
Retail	357,207	344,487
Telecommunications	328,749	264,185
Consumer loans	63,039	89,792
Mortgage loans	1,412	1,301
Corporate loans	2,257	2,089
Insurance	173	210
Other	13 451	11 300
Total	766,288	713,364

Change in debt portfolios*	01/04/2024-31/12/2024	01/04/2023-31/12/2023	01/04/2023-31/03/2024
Opening balance	713,364	593,908	593,908
Purchased debt portfolios	135,512	185,161	205,793
Sold debt portfolios	-	-	-
Revaluation	47,087	78,236	111,190
Effect of currency differences recognised in other comprehensive income	(895)	(7,168)	(8,788)
Payments from debtors	(259,872)	(257,751)	(344,979)
Interest income on debt portfolios	131,092	113,275	156,449
Reclassified to discontinued operations	-	-	(209)

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Change in debt portfolios*	01/04/2024-31/12/2024	01/04/2023-31/12/2023	01/04/2023-31/03/2024
Closing balance	766,288	705,661	713,364

(* the table for 01/04/2023-31/12/2023 and 01/04/2023-31/03/2024 shows the change in portfolios balance with the business to be sold included; and for 01/04/2024-31/12/2024, the opening balance of portfolios no longer includes the business classified as discontinued, with movements in this period related only to the continuing operations

In order to better understand the impact of the alienation of discontinued operations on the balance sheet change in debt portfolios, the following table presents the movements on debt portfolios assigned to discontinued operations only:

Change in debt portfolios related to discontinued operations	01/04/2024-31/12/2024	01/04/2023-31/12/2023	01/04/2023-31/03/2024
Opening balance	209	421	421
Purchased debt portfolios	-	-	-
Sold debt portfolios	-	-	-
Revaluation	8,360	10,038	12,872
Effect of currency differences recognised in other comprehensive income	(19)	(84)	(83)
Payments from debtors	(8,433)	(10,220)	(13,066)
Interest income on debt portfolios	9	73	65
Closing balance	126	228	209

Nominal value of estimated remaining collections (ERC) by discount rate ranges:	31/12/2024	31/03/2024
below 25%	699,267	713,862
25% - 50%	743,985	627,460
above 50%	161,815	174,819
Total	1,605,067	1,516,141

9. Receivables and loans granted

	31/12/2024	31/03/2024
Non-current assets		
Receivables	239	241
Current assets		
Trade and other receivables	7,919	9,436

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

- PLN 542 thousand allowance for receivables sought in court by the Group, PLN 546 thousand at the end of the comparative period,
- PLN 293 thousand allowance for other receivables; PLN 332 thousand at the end of the comparative period.

10. Deferred income tax assets and liabilities

Deferred income tax	31/12/2024	31/03/2024
Balance at beginning of year before offsetting:		
Deferred income tax assets	10,060	10,295
Deferred tax provision	(12,281)	(11,333)
Change during the period affecting:		
Profit and loss account (+/-)	(8,177)	(868)
Other comprehensive income (+/-)	5	(86)
Alienation of discontinued operations	-	(229)
Deferred tax at the end of the period before offsetting:		
Deferred income tax assets	4,456	10,060
Deferred tax provision	(14,849)	(12,281)

	31/03/2024	Change in profit and loss account	Change in other comprehensive income	31/12/2024
Deferred income tax assets				
Tangible assets (PP&E) - right to use	91	86	-	177
Investment properties	(24)	109	-	85
Provisions for employee benefits	767	393	-	1,160
Other provisions for liabilities	388	(198)	-	190
Borrowings, other debt instruments, derivatives	69	246	5	320
Other liabilities	1,700	134	-	1,834
Tax loss/credit activated	6,412	(5,663)	-	749
Other assets	657	(498)	-	159
Write-down of deferred tax assets	-	(218)	-	(218)
Total	10,060	(5,609)	5	4,456
Offsetting	(8,961)			(3,888)
Total deferred tax assets reported in the statement of financial position	1,099			568

Deferred income tax provisions				
Tangible (PP&E) and intangible assets	707	56	-	763
Investment properties	(71)	95	-	24
Purchased debt portfolios	8,673	1,125	-	9,798
Borrowings and other debt instruments	-	-	-	-
Receivables and loans granted, measurement of financial assets	2,367	1,779	-	4,146

	31/03/2024	Change in profit and loss account	Change in other comprehensive income	31/12/2024
Other assets	605	(487)	-	118
Total	12,281	2,568	-	14,849
Offsetting	(8,961)			(3,888)
Total deferred income tax provisions reported in the statement of financial position	3,320			10,961

In connection with the signed Merger Plan as referred to Note 15 to these financial statements, the Group:

- discontinued to recognise assets from previous period losses of the Company, in the amount of PLN 5.3 million, as these will not be available for deduction after the merger with BEST S.A. The exclusion of the potential reduction of the tax base in the acquiring company by the earlier losses of the acquired company is stipulated in Article 7 (3) (4) of the CIT Act,
- discontinued to recognise assets from debt finance costs that had been excluded from the tax deductible expense in previous years (above a certain statutory limit), in the amount of PLN 2.6 million. These costs cannot be included in the tax deductible costs after the merger, according to the exclusion provided for in Article 15c (19) (1) of the CIT Act.

In June 2024, the Company adjusted its corporate income tax returns for 2018-2023 and its annual returns for 2023-24 based on a revision of the income calculation methodology. In contrast to the previous approach, revenues and expenses are now divided into two revenue/expense sources (capital gains and non-capital gains). There is a risk that the allocation method now adopted by the Company may be questioned as there are other methodologies also available for determining the structure of revenues and expenses in individual revenue "baskets".

11. Financial instruments

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

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.

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	Carrying value at 30.12.2024				Fair value as at 31.12.2024			
	FVTPL	FVOCI	Amor. cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Trade and other receivables	-	-	8,158	8,158	-	-	8,158	8,158
Derivative financial instruments	10	603	-	613	-	613	-	613
Purchased debt portfolios	-	-	766,288	766,288	-	-	667,157	667,157
Financial liabilities								
Borrowings and other debt instruments	-	-	469,329	469,329	274,421	-	199,706	474,127
Lease liabilities	-	-	10,100	10,100	-	-	10,100	10,100
Trade payables	-	-	56,807	56,807	-	-	56,807	56,807

	Carrying value at 31/03/2024				Fair value at 31/03/2024			
	FVTPL	FVOCI	Amor. cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Trade and other receivables	-	-	9,677	9,677	-	-	9,677	9,677
Derivative financial instruments	-	461	-	461	-	461	-	461
Purchased debt portfolios	-	-	713,364	713,364	-	-	631,970	631,970
Financial liabilities								
Borrowings and other debt instruments	-	-	458,239	458,239	252,717	-	212,276	464,993
Lease liabilities	-	-	11,663	11,663	-	-	11,663	11,663
Trade payables	-	-	15,413	15,413	-	-	15,413	15,413

FVTPL - Financial instruments measured at 'Fair Value Through Profit or Loss'

FVOCI - Financial instruments measured at 'Fair Value Through Other Comprehensive Income'

Amor. cost - Financial instruments measured at 'Amortised Cost'

The fair value of each debt portfolio is determined by estimation as the present value of the expected future cash flows net (i.e. planned recoveries from a given portfolio minus the costs of the portfolio servicing fees and planned costs of direct debt collections) generated by the debt portfolio in the subsequent months of the forecast. Net cash flows are discounted at the discount rate calculated separately for each debt portfolio, taking into account its credit risk and the change in risk-free rate between the date of portfolio acquisition and the balance sheet date. The fair value of each debt portfolio is calculated based on net cash flows estimated for the next 180 months (15 years) following the balance sheet date. The fair value of the debt claims estimated in this way can be different from the value that otherwise would be determined were there an appropriate active market for them.

The Group measures bond liabilities at amortised 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 amortised cost method.

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

12. Equity

12.1. Share capital

	31/12/2024	31/03/2024
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.

12.2. 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:

	Number of shares	Shareholding (%)	Number of votes	Vote ratio (%)
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.

12.3. Summary of shareholdings or share interests of management and supervisory personnel

As at the balance sheet date (31 December 2024) 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.

12.4. Distribution of the Parent's result for 2023/2024

On 27 September 2024, the Company's Annual General Meeting of Shareholders was held, at which a resolution was adopted to allocate the profit for 2023/2024 in the amount of PLN 8,363 thousand in full to the Company's statutory reserve.

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

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

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 company divided by the number of common shares outstanding during the period. The calculation of earnings per share is presented below:

	01/04/2024-31/12/2024	01/04/2023-31/12/2023 restated
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 Company	(4,636)	28,706
Basic earnings (loss) per share (PLN)	(0.36)	2.23
Diluted earnings (loss) per share (PLN)	(0.36)	2.23
Net profit (loss) from continuing operations attributable to the parent's shareholders	(9,390)	22,023
Basic earnings (loss) per share (PLN)	(0.73)	1.71
Diluted earnings (loss) per share (PLN)	(0.73)	1.71

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

13. Borrowings and other debt instruments

	31/12/2024		31/03/2024	
	Short-term liabilities	Long-term liabilities	Short-term liabilities	Long-term liabilities
Borrowings, including:	62,285	105,817	59,828	116,778
- credit card liabilities	21	-	10	-
Debt securities	50,307	250,920	28,597	253,036
Total	112,592	356,737	88,425	369,814

13.1. Borrowings

Status of borrowings as at the balance sheet date.

Instrument	Currency	Interest rate	Start date	Maturity date	Current liabilities	Long-term liabilities	Total
Credit facility in ING Bank Śląski S.A.	PLN	WIBOR 3M + margin	2017-11-23	31-12-2034	19,056	30,487	49,543
Credit facility in ING Bank Śląski S.A.	PLN	WIBOR 3M + margin	2018-05-21	31-12-2034	43,070	62,188	105,258
Kredyt Santander Bank Polska S.A.	PLN	WIBOR 3M + margin	2024-10-10	2029-07-22	138	13,142	13,280
Total					62,264	105,817	168,081

Borrowings status as at the comparative balance sheet date.

Instrument	Currency	Interest rate	Start date	Maturity date	Short-term liabilities	Long-term liabilities	Total
Credit facility in ING Bank Śląski S.A.	PLN	WIBOR 3M + margin	2017-11-23	2032-12-31	22,550	47,323	69,873
Credit facility in ING Bank Śląski S.A.	PLN	WIBOR 3M + margin	2018-05-21	2032-12-31	37,268	69,455	106,723
Total					59,818	116,778	176,596

The maturity date for the credit facilities of ING Bank Śląski S.A. means the expiry date of the facility agreement (31 December 2034) (maturity was later extended through a supplementary agreement of 12 August 2024). The maturity of each individual loan drawn 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 which the utilisation end date can be extended is the expiration date of the credit facility agreement, namely 31 December 2034.

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.

On 13 June 2023, Kredyt Inkaso S.A. concluded an overdraft agreement with ING Bank Śląski S.A. for PLN 10,000 thousand plus a line of guarantees up to PLN 449,170.39. This 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 to which the end date of the availability of funds for use under the credit limit may be extended is the expiration date of the credit agreement, set at 31 December 2033. The interest rate on the overdraft is variable, and its components are a margin of 1.5% plus the WIBOR 1M base rate. 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.

On 22 July 2024, the Group's fund (Kredyt Inkaso III NFIZW) concluded a credit facility agreement with Santander Bank Polska S.A. ('Santander') for PLN 100 million, with drawdowns available on the following conditions:

- up to PLN 50 million by 31.10.2024 (inclusive);
- up to PLN 100 million possible from 01.11.2024 to the last day of the availability period, with the sum utilised under the Facility no to be higher than 75% of the net asset value of this fund (Kredyt Inkaso III NFIZW) according to the last available net asset valuation of this fund.

The facility availability period ends on 22.07.2025, with the maturity date set at 22.07.2029 maximum. Interest accrues at the base rate agreed on with the bank plus the bank's margin, to be determined based on the ratio of the debt under the facility to the total value of its object of security. The fund (Kredyt Inkaso III NFIZW) may use the money to finance purchases of debt packages, directly or indirectly, by the fund, excluding debt packages for which the applicable law is not the law of the Republic of Poland and excluding portfolios acquired from entities belonging to the Santander Capital Group (including Santander bank).

13.2. Bonds issued

Figures as at the end of the current reporting period.

Bond series	Interest rate	Start date	Maturity date	Face value	Short-term notes	Long-term notes	Carrying value
H1	fixed, 6%	2021-10-22	19-10-2025	3,667	3,659	-	3,659
J1	WIBOR 3M+4.9%	28-03-2022	28-03-2029	32,056	5,745	25,859	31,604
K1	WIBOR 6M+4.9%*	28-03-2022	28-03-2029	77,251	19,598	58,778	78,376
I1	WIBOR 3M+4.9%	19-04-2022	23-10-2025	17,010	16,758	-	16,758
L1	WIBOR 3M+4.7%	05-08-2022	27-07-2026	15,679	507	15,081	15,588
M1	WIBOR 3M+5.5%	14-04-2023	14-04-2027	15,000	480	14,535	15,015
N1	WIBOR 3M+5.5%	13-07-2023	13-07-2027	18,000	591	17,372	17,963
O1	WIBOR 6M+ 5.5%	04-10-2023	04-10-2027	37,741	1,303	36,095	37,398
P1	WIBOR 3M+5.5%	05-12-2023	28-11-2027	15,000	300	14,577	14,877
R1	WIBOR 3M+5.5%	07-02-2024	07-02-2028	20,000	534	19,150	19,684
S1	EURIBOR 3M+5.2%	27-03-2024	27-03-2028	21,365	216	20,507	20,723
T1	WIBOR 3M+4.2%	2024-11-12	2028-11-13	30,000	616	28,966	29,582
Total				302,769	50,307	250,920	301,227

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

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

Date	
28 June 2024	The Company party repaid the face value of series J1 bonds (PLN 1,394 thousand) in line with the timetable specified in WEO
25 September 2024	The Company party repaid the face value of series J1 bonds (PLN 1,394 thousand) in line with the timetable specified in WEO
25 September 2024	The Company party repaid the face value of series K1 bonds (PLN 8,583 thousand) in line with the timetable specified in WEO
12 November 2024	Issue of series T1 bearer bonds, total face value PLN 30,000 thousand.
31 December 2024	The Company party repaid the face value of series J1 bonds (PLN 1,394 thousand) in line with the timetable specified in WEO

On 12 November 2024, series T1 bonds were registered with the Polish depository agent (KDPW), total face value PLN 30,000 thousand. On the same day, the bonds were admitted on the Warsaw Stock Exchange's alternative bonds trading market called Catalyst.

During the reporting period, there were no violations of covenants under the bonds issued, save for the event described below.

As the Company obtained a legal opinion regarding e.g. the compliance of the loan agreement of 27 March 2023 between the Company and its subsidiary (Kredyt Inkaso Investments RO S.A.), including its subsequent annexes, with the General Terms and Conditions for the Issue of Bonds, on 17 December 2024 the Company published (on the bonds-dedicated website at <https://obligacje.kredytinkaso.pl/>) information that an early-redemption event has occurred with respect to series M1, N1 and P1 bearer bonds of Kredyt Inkaso S.A. and how was remedied, including its legal consequences.

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.

Bond series	Interest rate	Start date	Maturity date	Face value	Short-term notes	Long-term notes	Carrying value
H1	Fixed 6%	2021-10-22	19-10-2025	3,667	123	3,487	3,610
J1	WIBOR 3M+4.9%	28-03-2022	28-03-2029	36,237	5,748	29,922	35,670
K1	WIBOR 6M+4.9%*	28-03-2022	28-03-2029	85,834	17,535	67,066	84,601
I1	WIBOR 3M+4.9%	19-04-2022	23-10-2025	17,010	260	16,287	16,547
L1	WIBOR 3M+4.7%	05-08-2022	27-07-2026	15,679	503	14,920	15,423
M1	WIBOR M+5.5%	14-04-2023	14-04-2027	15,000	476	14,440	14,916
N1	WIBOR 3M+5.5%	13-07-2023	13-07-2027	18,000	586	17,257	17,843
O1	WIBOR 6M+5.5%	04-10-2023	04-10-2027	37,741	2,332	35,813	38,145
P1	WIBOR 3M+5.5%	05-12-2023	28-11-2027	15,000	286	14,304	14,590
R1	WIBOR 3M+5.5%	07-02-2024	07-02-2028	20,000	528	19,028	19,556
S1	EURIBOR 3M+5.2%	27-03-2024	27-03-2028	21,504	220	20,512	20,732
Total				285,672	28,597	253,036	281,633

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

13.3. Security instruments underwriting financial liabilities

At the balance sheet date, the Group had the following security instruments established to cover financial liabilities:

Secured item	Form of security	Secured value as at 31/12/2024	Expiry date	Carrying value of the secured liability as at 31/12/2024	Security coverage required as at 31/12/2024
Credit facility granted by ING Bank Śląski S.A. KI I NFIZW fund	Conditional assignment of claims as security (security assignment agreement) concerning payments due under certain commercial contracts	179,945	31-12-2034	105,258	157,952
Credit facility granted by ING Bank Śląski S.A. KI II NFIZW fund	Conditional assignment of claims as security (security assignment agreement) concerning payments due under certain commercial contracts	114,836	31-12-2034	49,543	74,342
Credit facility granted by ING Bank Śląski S.A. KI I NFIZW & KI II NFIZW funds	Suretyship issued by Kredyt Inkaso S.A. covering up to PLN 300 million	n/a	31-12-2037	154,801	n/a
Series K1 bonds	Registered pledges under the Polish or foreign law on debt portfolios that are included in the Company's or its subsidiaries' balance sheets	169,348	28-03-2029	78,376	115,877
Overdraft facility opened by ING Bank Śląski S.A. to Kredyt Inkaso S.A.	Corporate guarantee issued by Kredyt Inkaso Butgaria EAD up to PLN 12 million	n/a	31-12-2033	-	n/a
Credit facility granted by Santander Bank Polska S.A. to KI III NFIZW fund	Suretyship issued by Kredyt Inkaso S.A. covering up to PLN 150 million	n/a	22-07-2034	13,280	n/a

Secured item	Form of security	Secured value as at 31/12/2024	Expiry date	Carrying value of the secured liability as at 31/12/2024	Security coverage required as at 31/12/2024
Credit facility granted by Santander Bank Polska S.A. to KI III NFIZW fund	Registered pledge on claims under the bank account agreement signed by Kredyt Inkaso S.A. up to PLN 150 million and a financial pledge	n/a	22-07-2034	13,280	n/a
Credit facility granted by Santander Bank Polska S.A. to KI III NFIZW fund	Registered pledge on claims under the bank account agreement signed by KI III NFIZW fund up to PLN 150 million and a financial pledge	n/a	22-07-2034	13,280	n/a
Credit facility granted by Santander Bank Polska S.A. to KI III NFIZW fund	Registered pledge on claims and claim interests	11 135*	22-07-2034	13,280	n/a
Office rental in Warsaw	Bank guarantee up to PLN 284 thousand	n/a	25-07-2027	1,800	n/a
Office rental in Lublin, Poland	Bank guarantee up to PLN 165 thousand	n/a	31-12-2028	1,701	n/a

(*) on 7 February 2025, KI III NFIZW fund applied for official registration of another registered pledge on a set of claims and claim interests worth PLN 15,762 thousand

13.4. 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 floating and set as WIBOR 6M +4.9%.

Cashpool balances are shown in the table below:

	31/12/2024	31/03/2024
Kredyt Inkaso S.A.*	(9,607)	(37,708)
Finsano S.A.	8,013	34,754
Kancelaria Prawnicza Forum Radca Prawny Krzysztof Piliuś i Spółka sp.k.	1,320	3,605
Kredyt Inkaso IT Solutions Sp. z o.o.	(553)	(1,497)
KI Solver Sp. z o.o.	827	846
Total	-	-

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

14. Discontinued operations

In financial year 2023/24, the Group has taken certain actions aimed at divesting Limited Liability Company "Professional Collection Organisation" Kredyt Inkaso RUS (registered office in Moscow, "KI RUS"), which constitutes a standalone geographical area in the Group's operations. Kredyt Inkaso Portfolio Investments (Luxembourg) Societe Anonyme ("KI LUX"), which holds 99% shares in KI RUS, received two offers from interested bidders in May 2024 and selected one of them to proceed with further. Negotiations regarding more detailed parameters and the deal structure have been completed with the selected bidder, however, due to the potential investor's failure to meet all the conditions precedent, the transaction has not been finalised as of the date of this report and, therefore, the Group is continuing its efforts to attract other investors.

The Group is taking every step to complete the sale of the Russian company within 12 months of the balance sheet date.

The net result from discontinued operations, understood as the operations of the Russian entity after the consolidation exemptions, is presented in detail below:

Discontinued operations	01/04/2024- 31/12/2024	01/04/2023- 31/12/2023
Net revenue		
Interest income on debt portfolios calculated using the effective interest rate method	9	73
Portfolio revaluation	8,360	10,038
Other income/expenses	-	1,937
Total net revenue	8,369	12,048
Payroll and employee benefits	(2,052)	(2,576)
Depreciation/amortisation	(154)	(139)
Third party services	(1,533)	(1,574)
Court and enforcement fees	2	1
Other operating costs	(133)	(234)
Total operating expense	(3,870)	(4,522)
Profit (loss) on operating activities	4,499	7,526
Financial income, including:	1,564	574
interest on instruments measured at amortised cost	1,564	574
Finance cost, including:	(48)	(132)
interest on instruments measured at amortised cost	-	-
Earnings before tax	6,015	7,968
Income tax	(1,212)	(1,231)
Net profit (loss) from discontinued operations	4,803	6,737

Cash flows related to discontinued operations are presented below:

	01/04/2024- 31/12/2024	01/04/2023- 31/12/2023
Cash flow from operating activities	3,803	2,093
Cash flow from investment activities	1,555	574
Cash flow from financial activities	(80)	-

Main groups of assets and liabilities held for sale:

	31/12/2024	31/03/2024
Tangible assets (PP&E)	463	609
Deferred income tax assets	217	255
Trade and other receivables	930	1,279
Purchased debt portfolios *	126	209
Prepayments	3	18
Cash and cash equivalents	13,081	10,392
Total assets held for sale	14,820	12,762
Lease liabilities	326	485
Deferred tax provision	23	26
Trade and other payables	2,321	2,075
Current income tax liabilities	128	138

	31/12/2024	31/03/2024
Total liabilities related to assets held for sale	2,798	2,724
<i>(*) The value of debt portfolios held by the Russian entity since the outbreak of the war in Ukraine remains significantly adjusted downwards due to geopolitical risks associated with this region</i>		
	01/04/2024- 31/12/2024	01/04/2023- 31/12/2023 restated
Net profit (loss) on discontinued operations attributable to shareholders of the Parent Company	4,754	6,683
Basic earnings (loss) per share (PLN)	0.37	0.52
Diluted earnings (loss) per share (PLN)	0.37	0.52

The cumulative cost of PLN 5,089 thousand reported in the Group's equity, as part of foreign exchange differences from the translation of foreign subsidiaries, refers to a group of assets and liabilities classified as 'held for sale'.

15. Expected merger with BEST S.A.

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 were provided to selected entities.

On 2 October 2024, the Extraordinary General Meeting of the Company resolved to ask the Management Board to continue the review of strategic options and initiate talks with BEST S.A. ('BEST') on a potential merger of the Company with BEST S.A. (as the acquiring party) in order to determine the potential terms of such merger and then to agree upon the merger documentation. Should no such agreement be achieved in the course of the talks by the end of January 2025 or the talks be otherwise terminated earlier due to diverging positions of the two parties, the Management Board was asked to summon a general meeting of the Company to choose further line of action in the review of strategic options.

In performance of the resolution effected at the Extraordinary General Meeting, on 10 October 2024 the Company signed with BEST an agreement to commence negotiations and cooperation in relation to a potential merger, and in such agreement the parties agreed that they would make reasonable efforts to analyse the possibility of the potential merger and determine the timetable and structure of its process as well as issue/obtain any disclosures/consents as may be required for the potential merger to/from the competent authorities or third parties.

On 19 December 2024, the President of UOKIK, the Polish anti-trust authority, issued a decision on 16 December 2024 expressing unconditional consent to this business concentration by way of merger of the Company and BEST S.A. The merger would be carried out by transferring all assets of the Company to BEST S.A. in exchange for BEST S.A. shares that would be subscribed in the names of the Company's shareholders other than BEST S.A.

On 20 February 2025, the Company and BEST signed the merger plan ('Merger Plan'). The Merger Plan assumes that the merger will follow the regulations of Article 492 (1) (1) of the Polish Commercial Companies Code, namely merger through acquisition of the Company (as the acquired party) by BEST (the acquirer) by way of transfer of the Company's entire property to BEST S.A. in exchange for BEST S.A. shares to be vested in the eligible shareholders of the Company, excluding BEST and persons acting in their own name but on behalf of BEST who, as per Article 514 § 1 and 2 of the Commercial Companies Code, will not acquire any shares in the merger in exchange for any Company shares they may hold ('Merger') ('Eligible Shareholders of Kredyt Inkaso'). The shares will be a new issue that will increase the share capital of BEST ('Merger Shares').

According to the Merger Plan, BEST will ensure the admission and introduction of the Merger Shares to trading on a regulated market of the Warsaw Stock Exchange. In the absence of the legal obligation to have an issue prospectus, according to the exemption provided for in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, BEST will draw up and publish a document for the purposes of the exemption referred to in Commission Delegated Regulation (EU) 2021/528 of 16 December 2020.

According to the Merger Plan, the Eligible Shareholders of the Company will be vested the Merger Shares in exchange for their shares in the Company, in the following proportion: 0.67537:1 (BEST shares:Kredyt Inkaso shares) ('Share Exchange Ratio'). This means that one share in the Company will entitle the Eligible Shareholders to 0.67537 of BEST share, with the actual number of vested Merger Shares to be a natural number and any non-allocable fraction resulting from the actual application of the Share Exchange Ratio will entitle the eligible shareholders of the Company to an additional payment as specified in the Merger Plan.

Pursuant to Article 506 § 1 of the Commercial Companies Code, the Merger will be based on resolutions of the General Meeting of BEST and of the General Meeting of Kredyt Inkaso which must contain, according to Article 506 § 2 and § 4 of the Commercial Companies Code as well as the relevant provisions of the Articles of Association of each merging entity, the consent to the Merger Plan and to the amendments of the acquirer's Articles of Association.

In the same resolution of BEST's General Meeting that consents to the Merger Plan and the amendments to the Articles of Association, the General Meeting of BEST will approve the increase of its share capital and the actual amendments to the Articles of Association resulting from the above consent.

At the same time, the BEST General Meeting will also consider the draft restated version of BEST's Articles of Association including the changes proposed in connection with the Merger.

Detailed information related to the planned Merger, including the full text of the Merger Plan with exhibits and the Company's Management Board Report explaining reasons behind the Merger have been made available on the Company's website at: <https://relacjeinwestorskie.kredytinkaso.pl/polaczenie-z-best/>.

Therefore, as a result of the planned merger, in the interim condensed consolidated financial statements as at 31 December 2024 the Group has recognised or derecognised the following items:

15.1. Transaction advisor fee

Based on the annex of 6 May 2024 to the 4 April 2023 agreement with Ipopema Securities, the Company undertook to pay the transaction advisor a success fee in cash depending on the Company's share price (2.00% of the product of multiplying the number of Company shares covered by the transaction resulting from the implemented strategic options and the sale price per share in that transaction). This agreement was concluded for a definite period until 31 December 2024. However, according to the agreement exclusivity clauses, the transaction advisor is entitled to the success fee in the event of the implementation of strategic options by 31 March 2026 (on certain contractual conditions).

On 26 February 2025, the Company signed Annex 2 with Ipopema Securities according to which the above payment obligation was replaced by an obligation to pay – upon the adoption by the Extraordinary General Meeting of the Company and the Extraordinary General Meeting of the BEST of resolutions approving the merger and upon the submission of an application for registration of the merger – a success fee of approx. PLN 2.5 million gross.

As at 31 December 2024, the Group recognised for this transaction advisor fee a sum of PLN 2.5 million (PLN 0.8 million at the end of September 2024). The above amount of the fee was determined by the Company and the advisor through negotiations, therefore it was not necessary to use the IFRS2 valuation model that had been the basis for estimating this item in previous reporting periods.

15.2. Remuneration of the Management Board – retention bonus

On 11 July 2024, in performance of its resolutions of 13 June 2024 related to the Remuneration Policy for the Management Board and the Supervisory Board of Inkaso S.A., through the Chairperson (duly authorised) of the Supervisory Board the Supervisory Board concluded annexes to management contracts signed with members of the Management Board ("Annexes"). The basic conditions of vesting the right to the Bonus are: (i) the proper fulfilment of the obligations to support the Option Review; and (ii) holding the office in the Management Board on the date of the Option Review. The annexes define the detailed conditions of the Bonus, including the circumstances in which the second of the above conditions does not need to be met as well as events in which a member of the Company's management board may lose the right to a part of the Bonus upon termination of the office held even after the date of the Option Review. The Bonus consists of two elements, a fixed part and a variable part:

- the fixed part is, respectively: a) EUR 350,000 gross in the case of Barbara Rudziks, b) EUR 250,000 gross in the case of Maciej Szymański; c) PLN 700,000 gross in the case of Mateusz Boguta; and d) EUR 150,000 gross in the case of Iwona Słomska;
- the variable part of the Bonus depends on the reference value, but in any case will not be higher than 140% of the annual gross remuneration of a given member of the management board.

The Bonus amounts indicated above are gross, i.e. if payable they will be reduced by the relevant personal income tax sums and social security contributions.

On 20 February 2025, all members of the Management Board of the Company signed agreements with the Company (represented by the Chairperson of the Supervisory Board acting based on relevant resolutions of the Supervisory Board adopted on 14 February 2025) according to which:

- rules were established concerning the payment of the fixed part of the Bonus to Barbara Rudziks, Iwona Słomska and Mateusz Boguta (in the above amounts);
- Maciej Szymański waived his rights to the fixed part of the Bonus.

Consequently, as at 31 December 2024, the Group recognised a provision of PLN 2.8 million for the Management Board retention bonus.

In addition, based on the above agreements, all members of the Management Board waived their rights to the variable part of the Bonus, and hence the IFRS2 fair value measurement principle does not apply to this item on 31.12.2024.

15.3. Key staff retention scheme

On 30 November 2023, the Company's Management Board adopted a resolution on the adoption of a Retention Program for key staff (employees and non-employee contractors) of the Kredyt Inkaso Capital Group ("Program"). In the event of the merger with BEST as well as upon the fulfilment of certain conditions by the members eligible under this Program, the Group will pay the eligible staff additional compensation under the Program which will cost the Group up to PLN 2.4 million. The provision for this amount was recognised as at 31 December 2024.

15.4. Tax loss assets from previous years

At the time of the merger with BEST, the emerging entity will lose the option to deduct the Company's tax losses from previous years. In connection with this, on 31 December 2024 the Company has discontinued to recognise assets from previous period tax losses, in the amount of PLN 5.3 million, as they cannot be deducted after the merger with BEST S.A.

Furthermore, the Company no longer recognises assets from debt finance costs that had been excluded from deductible expenses in previous years, in the amount of PLN 2.6 million, as such costs cannot be recognised as the tax deductible expenses after the merger.

15.5. Reversal of capitalisation of the cost of intangible work-in-progress assets

In connection with the expected merger with BEST, IT projects related to systems that would not be used by the emerging entity have been discontinued. The cost recognized for this in the current reporting period is approx. PLN 0.3 million.

16. Share-based payments

In connection with the signed Merger Plan, the final parameters of the financial settlements related to the Merger have been determined, such as the transaction advisor's fee and the remuneration of the Management Board (retention bonus). As at 31 December 2024, the transaction advisor fee liability and the provision for the Management Board retention bonus were recognised according to IAS 37, assuming the over 50% probability of the transaction. In the current reporting period, the Group has departed from the method of calculating these forms of remuneration based on IFRS 2 (cf. Note 15).

17. Notes to Statement of Cash Flows

	Change in liabilities recognised in statement of financial position	Change in liabilities related to discontinued operations	Value of portfolios purchased in 01/04/2024-31/12/2024	Value of portfolios purchased in 01/04/2024-31/12/2024 but paid after the balance sheet date	Presentation in statement of cash flows
Purchased debt claims – purchase and expenditures on debt portfolios			(135,512)	36,821	(98,691)
Change in payables	40,185	237	-	(36,821)	3,601

18. 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 2023/2024.

18.1. 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 pays 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 by matching the critical parameters, in particular (but not limited to):

- 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 assesses the economic link prospectively, in intervals defined in the underlying document.

Instrument	Face value at balance sheet date	Currency	Amortisation of principal	Effective period	Initial rate (fixed rate)	Hedged parameter (floating rate)	Assets	Liabilities	Item in Statement of Financial Position	Change in fair value
IRS	77,251	PLN	Yes - consistent with amortisation of K1 bonds face value	31/10/2023-28/03/2029	4.96%	WIBOR 6M	379	-	Derivative financial instruments	161
IRS	32,056	PLN	Yes - consistent with amortisation of J1 bonds face value	28/03/2024-28/03/2029	4.63%	WIBOR 3M	224	-	Derivative financial instruments	(18)
					Total		603	-		143

Effect of hedging instruments on the Group's statement of financial position in the reporting period

The amount of interest moved from other comprehensive income was charged to Finance income (interest income on hedging instruments) or Finance expenses (interest expense on hedging instruments).

	01/04/2024-31/12/2024	01/04/2023-31/12/2023
Payments from settlement of hedging transactions included in cash flow statement	(714)	-
Hedging gains or losses for the reporting period recognised in other comprehensive income	857	(841)
Ineffective portion of the hedge recognised in profit and loss account	-	-
Total	143	(841)

	01/04/2024-31/12/2024	01/04/2023-31/12/2023
Revaluation reserve at the beginning of period	365	-
Effect of valuation of hedging transactions (effective portion)	857	(841)
Amount of interest moved during the period from other comprehensive income to profit and loss account	(885)	(110)
Income tax	5	181
Revaluation reserve at the end of period	342	(770)

18.2. Derivative financial instruments - forwards

In the current reporting period, the Group entered into derivative transactions aimed at mitigating the foreign exchange risk associated with a significant transaction of purchase of a Romanian portfolio of debt claims. Forwards are transactions in which the Group has undertaken to exchange PLN into RON at an agreed point in the future, at the rate established on the date of the transaction. The Group measures such forward transactions at fair value through profit or loss. If the fair value of rights and obligations from concluded forward contract is greater than zero, the contract is recognized as an asset, whereas if below zero, then it will be a financial liability.

Instrument	Face value at balance sheet date	Currency	Amortisation of principal	Effective period	Initial rate (fixed rate)	Hedged parameter (floating rate)	Assets	Liabilities	Item in Statement of Financial Position	Change in fair value
Forwards	3,000	RON	n/a	05/12/2024-15/01/2025	0.8600	RON/PLN	(3)	0	Short-term financial derivatives	(3)
Forwards	5,000	RON	n/a	05/12/2024-15/01/2025	0.8600	RON/PLN	4	0	Short-term financial derivatives	4
Forwards	1,250	RON	n/a	12/12/2024-15/01/2025	0.8599	RON/PLN	(1)	0	Short-term financial derivatives	(1)
Forwards	5,000	RON	n/a	16/12/2024-15/01/2025	0.8569	RON/PLN	10	0	Short-term financial derivatives	10
					Total		10	-	-	10

19. 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.

On 31 December 2024, the most restrictive level of this covenant, contained in the terms of the Company's bond issue, is 2.25.

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

	31/12/2024	31/03/2024
Borrowings and other debt instruments	469,329	458,239
Leases	10,426	12,148
minus: cash and cash equivalents	(96,742)	(102,851)
Net financial debt	383,013	367,536
Equity	347,415	353,229

Net financial debt/equity ratio	1.10	1.04
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(*) when calculating this ratio, lease liabilities and cash of KI RUS were taken into account, which in the consolidated balance sheet are shown as assets and related liabilities held for sale

20. Significant transactions with related parties

20.1. Related party transactions

20.1.1. Transactions in trade

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

	01/04/2024-31/12/2024		01/04/2023-31/12/2023	
	Revenue	Cost	Revenue	Cost
Cost of consulting services				
WPEF VI HOLDING 5 B.V.	-	193	-	201
Total (net amounts)	-	193	-	201

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.

20.2. Loans to officers and related persons

None.

20.3. Transactions with officers

20.3.1. Remuneration of the Management Board

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

	01/04/2024-31/12/2024	01/04/2023-31/12/2023
Base salary/management contract (gross)	3,301	3 470
Other - medical and other benefits	258	245
Total*	3,559	3 715

(* in addition to the above values, the Management Board members are entitled to a retention bonus in certain events (Note 15.2)

20.3.2. Remuneration of the Supervisory Board

	01/04/2024-31/12/2024	01/04/2023-31/12/2023
Supervisory Board remuneration	449	413
Total	449	413

Remuneration rules of 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 27/2024 of the Extraordinary General Meeting of 27 September 2024 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.

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

21.1. 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 recognised 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 for the 15y horizon 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 cost of discontinued enforcement proceedings as at the balance sheet date:

	31/12/2024
Contingent liabilities - cost of discontinued enforcement	41,316
Total	41,316

21.2. Security instruments underwriting financial liabilities

A detailed list of contingent liabilities associated with security instruments established on the Group's financial liabilities is presented in Note 13.3 to these interim condensed consolidated financial statements.

21.3. Contingent liability related to pending court proceedings

In order to increase the transparency of the disclosures presented, the Group has chosen to disclose contingent liabilities in this section related to a legal action brought of BEST S.A. on 9 January 2019 for payment by, jointly and severally, 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. treats BEST S.A.'s claim as unfounded (Current Report 8/2019) and deems less than probable that it could be settled to the Group's disadvantage, and therefore no provision has been made for any expenses arising from these proceedings as at the balance sheet date.

22. Court, enforcement, tax and other proceedings

22.1. Litigations and enforcements

The Group's business model involves purchasing 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. recognises 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 Dąbrowski 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 fund is acting in the case as an 'assisting claimant' on the side of John Harvey van Kannel. The proceedings have been suspended until the Supreme Court rules another case that has been brought by John Harvey van Kannel (more below). The decision to suspend the proceedings has not become legally applicable yet;
- 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 fund). The Company considers this claim sought through this extraordinary procedure to be completely unfounded (Current Report 32/2023).
- a lawsuit brought by the Company on 18 August 2016 against the joint and several defendants: BEST S.A. and Mr. Krzysztof Borusowski for an award in favor of the Company in the amount of PLN 60,734,500. 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. Include in particular (but not limited to): 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 awarded in a closed-door session, and both parties did so. On 12 March 2024, the lower court dismissed the legal action and awarded the Defendants (jointly and severally), according to Article 98 (1) of the Civil Procedure Code and Article 99 of the Civil Code in conjunction with Article 2 (9) of the Minister of Justice Regulation of 22 October 2015 on attorney fees, the amount of PLN 100,000 as refund of legal costs. The Company is currently awaiting a written statement of reasons for this judgment (Current Report 16/2024).
- a lawsuit brought by the Company on 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 arrangement of claim trading transactions on the Romanian market. Paweł Szewczyk remained a member of the Management Board in KI Servcollect SRL without the consent of the Supervisory Board of Kredyt Inkaso S.A. and without notifying the latter. 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. In May 2024, the Court considered the defendants' objections and excluded BEST S.A. from the proceedings. Witnesses are still being interviewed in the case and further hearing dates are set. The Company is also submitting more requests for evidence. 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 case is currently pending before the Regional Court in Warsaw, 16th Commercial Division, case number XVI GC 709/22. The Company wants to actively participate in the litigation (Current Report 36/2022 and 38/2022). By an order of 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. According to information provided in Current Report 60/2023, on 23 November 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.

22.2. Proceedings by revenue authorities

On 13 December 2024, the Company received a request from the Customs & Revenue Authorities for Małopolska Province in Poland to submit transfer pricing documentation and JPK_KR and JPK_FA files in connection with the initiation of a customs & tax inspection of corporate income tax disclosures in 01.04.2020 - 31.03.2021. The Company is in ongoing contact with the controlling authority and provides timely information and answers to its inquiries. As of the Approval Date, the Company has no information about the likely further course and any final decisions to be issued in this inspection procedure.

22.3. Inspections and other procedures pending

By the letter of 26 February 2024, UOKiK, the Polish anti-trust authority, opened a formal inquiry aimed at determining on a preliminary basis whether the occurred a violation that would justify an investigation of the use of unlawful contract clauses and market practices that infringed the collective interest of consumers.

The Company has been cooperating with UOKiK on an ongoing basis, providing it with comprehensive explanations and information in a timely manner. Since the date of the first letter referred to above, UOKiK has twice (September 2024 and February 2025) addressed the Company with further questions.

23. Significant events after the balance sheet date

- On 31 January 2025, the Polish Financial Supervision Authority (KNF) has issued a decision approving the base prospectus which the Company prepared to register and implement an unsecured bearer bonds programme, total nominal value up to PLN 200,000,000 of bonds issued but not redeemed (or EUR equivalent).

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

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

Factors and events, including those of an unusual nature, having a significant impact on the financial statements factors and events, including those extraordinary in nature, which had a material impact on the financial statements, are presented in notes to the respective financial statement items.

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

On 20 February 2025, the Company and BEST have signed the Merger Plan (cf. Note 15.).

Assuming that the General Meetings of both companies adopt appropriate resolutions, the Merger will follow the regulations of Article 492 § 1 of the Commercial Companies Code, namely the acquisition by BEST (acquirer) of Kredyt Inkaso S.A. (the acquired party) in the manner specified in Article 492 § 1.1 of the Commercial Companies Code, i.e. through the transfer of all assets of the Company to BEST in exchange for the shares that BEST will issue to the eligible shareholders of Kredyt Inkaso while increasing BEST's share capital through the issue of merger shares to be vested in the eligible shareholders of Kredyt Inkaso.

The transfer of the entire property that includes all assets and liabilities of the Company to BEST will take place on the date of the merger, i.e. the date when the merger will have been entered in the commercial register of the National Court Register by the registry court in the jurisdiction of BEST's registered office.

On the merger date, BEST will enter into all rights and obligations of the Kredyt Inkaso, pursuant to Article 494 § 1 of the Commercial Companies Code ('universal succession'). In particular, according to Article 494 § 2 and § 5 of the Commercial Companies Code, the permits, licences and concessions granted earlier to the acquired party will be transfer onto BEST on the merger date, unless the law or a given permit, licence or concession decision stipulates otherwise.

Based on Article 494 § 4 of the Commercial Companies Code, from the date of the merger as well as taking into account the vesting principles set out in the Merger Plan and the ban on share acquisition by the acquirer (and any persons acting in their own name but on behalf of the acquirer), the eligible shareholders of Kredyt Inkaso will become shareholders of the acquirer in exchange for their shares held in the acquired party (Article 514 § 1 and 2 of the Commercial Companies Code) without the need to subscribe and pay for such merger shares.

Pursuant to Article 493 (1) and (2) of the Commercial Companies Code, Kredyt Inkasy will be dissolved without a formal winding-up ('liquidation') procedure on the day when it is deleted from the commercial register of the National Court Register, which will take place not earlier than on the day of registering the share capital increase in BEST and entering the Merger in the commercial register of the National Court Register.

After the Merger, the acquirer will, as before, operate under its business name: BEST Spółka Akcyjna.

Notwithstanding the above, the Management Board cannot rule out that the review of strategic options will end otherwise than with the Merger. In particular, the Management Board cannot exclude that in the event that the General Meetings of the Company and of the BEST fail to adopt appropriate resolutions, the review of strategic options will take a different path,

including potentially a share or asset deal by the Company or its subsidiaries, or end with a decision of the Management Board keeping the status quo. Information about the completion and outcome of the review of strategic options, including any significant events occurring in the course of the process, will be published by the Company appropriately.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

SEPARATE STATEMENT OF PROFIT OR LOSS

	01/04/2024- 31/12/2024	01/10/2024- 31/12/2024	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023
Net revenue				
Interest income on debt portfolios calculated using the effective interest rate method	8,435	3,006	7,360	2,408
Portfolio revaluation	16,859	4,746	13,671	4,789
Other income/expenses	50,966	17,370	49,159	16,262
Total net revenue	76,260	25,122	70,190	23,459
Payroll and employee benefits	(36,777)	(15,826)	(30,083)	(10,399)
Depreciation/amortisation	(2,296)	(726)	(2,634)	(884)
Third party services	(32,725)	(11,111)	(29,740)	(10,808)
Court and enforcement fees	(3,467)	(1,577)	(3,630)	(1,387)
Other operating costs	(4,068)	(888)	(2,839)	(980)
Total operating expense	(79,333)	(30,128)	(68,926)	(24,458)
Profit (loss) on operating activities	(3,073)	(5,006)	1,264	(999)
Financial income, including	31,700	13,844	25,274	9,016
interest on instruments measured at amortised cost	24,843	8,650	23,755	8,092
Finance costs, including	(33,033)	(10,937)	(28,503)	(10,064)
interest on instruments measured at amortised cost	(28,675)	(9,596)	(24,495)	(8,620)
Earnings before tax	(4,406)	(2,099)	(1,965)	(2,047)
Income tax	(7,691)	(8,490)	1,123	1,300
Net profit (loss)	(12,097)	(10,589)	(842)	(747)
Earnings per share in PLN				
ordinary	(0.94)	(0.82)	(0.07)	(0.06)
diluted	(0.94)	(0.82)	(0.07)	(0.06)

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	01/04/2024- 31/12/2024	01/10/2024- 31/12/2024	01/04/2023- 31/12/2023	01/10/2023- 31/12/2023
Net profit (loss)	(12,097)	(10,589)	(842)	(747)
Income (loss) recognized in the period in other comprehensive income	857	1,616	(841)	(841)
Amounts transferred to profit or loss	(885)	(277)	(110)	(110)
Income tax	5	(255)	181	181
Cash flow hedging instruments subject to reclassification to profit and loss account	(23)	1,084	(770)	(770)
TOTAL COMPREHENSIVE INCOME	(12,120)	(9,505)	(1,612)	(1,517)

SEPARATE STATEMENT OF FINANCIAL POSITION

Assets	31/12/2024	31/03/2024
Intangible assets	1,814	1,273
Tangible assets (PP&E)	7,981	9,041
Investment properties	2,015	2,015
Investments in subsidiaries	110,294	110,294
Purchased debt portfolios	37,928	35,556
Receivables and loans granted	47,788	36,903
Derivative financial instruments	603	461
Other long-term financial assets	171,000	171,000
Non-current assets	379,423	366,543
Trade and other receivables	8,740	10,159
Income tax receivables	14	-
Derivative financial instruments	10	-
Purchased debt portfolios	19,027	18,545
Loans	1,132	1,556
Other short-term financial assets	40,438	42,205
Short-term accruals	1,255	1,600
Cash and cash equivalents	18,096	39,651
Current assets	88,712	113,716
Total assets	468,135	480,259

Equity & Liabilities	31/12/2024	31/03/2024
Share capital	12,897	12,897
Statutory capital reserve	76,439	68,076
Revaluation reserve	342	365
Retained earnings, including	(16,391)	4,069
net profit (loss) of the current period	(12,097)	8,363
profits (losses) of previous years	(4,294)	(4,294)
Equity	73,287	85,407
Borrowings and other debt instruments	250,920	295,822
Lease liabilities	5,270	6,328
Deferred tax provision	10,851	3,210
Long-term liabilities	267,041	305,360
Trade and other payables	8,260	4,663
Borrowings and other debt instruments	104,867	69,920
Lease liabilities	2,738	2,636
Other short-term provisions	7,040	5,065
Short-term accruals	4,902	7,208
Short-term liabilities	127,807	89,492
Total liabilities	394,848	394,852
Total Equity & Liabilities	468,135	480,259

SEPARATE STATEMENT OF CASH FLOWS

	01/04/2024-31/12/2024	01/04/2023-31/12/2023
Earnings before tax	(4,406)	(1,965)
Adjustments:		
Depreciation and impairment of tangible assets (PP&E)	1,763	1,619
Amortisation and impairment of intangible assets	533	1,015
Purchased debt portfolios - difference between repayments and interest income	14,005	15,972
Purchased debt portfolios - portfolio revaluation	(16,859)	(13,671)
Finance expenses	32,762	28,503
Finance income	(31,700)	(25,005)
Profit (loss) due to exchange rate differences	271	(269)
Other adjustments	126	(3,651)
Total adjustments	901	4,513
Change in receivables	1,404	(2,313)
Change in payables	2,822	(282)
Change in capital reserves and prepayments/accruals	(28)	(31)
Cash from operating activities	693	(78)
Income tax paid	-	-
Net cash from operating activities	693	(78)
Expenses for acquisition of intangible assets	(1,049)	(170)
Expenses for acquisition of tangible assets (PP&E)	(200)	(273)
Expenses for acquisition of investment properties	-	(333)
Sale of tangible assets (PP&E)	-	65
Received repayments of loans granted	459	-
Loans granted	(11,148)	(43,097)
Proceeds from sale of other financial assets/bond repayments	11,200	-
Interest received	16,623	39,187
Dividends received	4,381	-
Net cash from investment activities	20,266	(4,621)
Proceeds from issue of debt securities	29,095	85,741
Redemption of debt securities	(12,764)	(26,806)
Proceeds from settled hedging transactions	714	-
Flows from the concluded cashpool agreement	(27,851)	2,072
Payments of lease liabilities	(2,178)	(2,083)
Interest paid	(29,530)	(22,244)
Net cash from financing activities	(42,514)	36,680
Net change in cash and cash equivalents	(21,555)	31,981
Cash and cash equivalents at the beginning of the period	39,651	9,188
Change due to exchange rate differences	-	-
Cash and cash equivalents at the end of the period	18,096	41,169

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Statutory capital reserve	Revaluation reserve	Retained earnings	Total Equity
As at 01 April 2024	12,897	68,076	365	4,069	85,407
Net profit (loss)	-	-	-	(12,097)	(12,097)
Cash flow hedges	-	-	(23)	-	(23)
Total comprehensive income	-	-	(23)	(12,097)	(12,120)
Allocation of result	-	8,363	-	(8,363)	-
As at 31 December 2024	12,897	76,439	342	(16,391)	73,287

	Share capital	Statutory capital reserve	Revaluation reserve	Retained earnings	Total Equity
As at 01 April 2023	12,897	63,042	-	740	76,679
Net profit	-	-	-	(842)	(842)
Cash flow hedges	-	-	(770)	-	(770)
Total comprehensive income	-	-	(770)	(842)	(1,612)
Allocation of result	-	5,034	-	(5,034)	-
As at 31 December 2023	12,897	68,076	(770)	(5,136)	75,067

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 2024 and present:

- comparative figures for the nine months ended 31 December 2023 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 2024 in the statement of financial position.
- current and comparative data for the three months ended 31 December 2024 and 2023, respectively, for 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 2024.

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 going concern assumption for the Company is reasonable also in view of its potential merger with another 'going concern' subsidiary, including by way of acquisition by such other subsidiary that is a going concern business.

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 policies

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 2024, except for the first-time adoption standards described in the interim consolidated financial statements of the Group for nine months ended 31 December 2024.

1.4. Changes in significant accounting policies and error adjustments

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

In the course of the preparation of these individual interim financial statements, the following presentation change has been made in order to better reflect the economic essence and improve the usefulness of the presented data:

- a) In the profit and loss account, the costs of court and enforcement fees were distinguished among other operating costs,

The data presented in the published financial statements for three and nine months ended 31 December 2023 have been made comparable. The following is the impact of the above described transformations on the individual profit and loss account for three and nine months ended 31 December 2023.

	01/04/2023- 31/12/2023 original figures	change in presentation a)	01/04/2023- 31/12/2023 data restated
Net revenue			
Interest income on debt portfolios calculated using the effective interest rate method	7,360		7,360
Portfolio revaluation	13,671		13,671
Other income/expenses	49,159		49,159
Total net revenue	70,190		70,190
Payroll and employee benefits	(30,083)		(30,083)
Depreciation/amortisation	(2,634)		(2,634)
Third party services	(29,740)		(29,740)
Court and enforcement fees		(3,630)	(3,630)
Other operating costs	(6,469)	3,630	(2,839)
Total operating expense	(68,926)		(68,926)
Profit (loss) on operating activities	1,264		1,264
Financial income, including:	25,274		25,274
interest on instruments measured at amortised cost	23,755		23,755
Finance cost, including:	(28,503)		(28,503)
interest on instruments measured at amortised cost	(24,495)		(24,495)
Earnings before tax	(1,965)		(1,965)
Income tax	1,123		1,123
Net profit (loss)	(842)		(842)

	01/10/2023- 31/12/2023 original figures	change in presentation a)	01/10/2023- 31/12/2023 data restated
Net revenue			
Interest income on debt portfolios calculated using the effective interest rate method	2,408		2,408
Portfolio revaluation	4,789		4,789
Other income/expenses	16,262		16,262
Total net revenue	23,459		23,459
Payroll and employee benefits	(10,399)		(10,399)
Depreciation/amortisation	(884)		(884)
Third party services	(10,808)		(10,808)
Court and enforcement fees		(1,387)	(1,387)
Other operating costs	(2,367)	1,387	(980)
Total operating expense	(24,458)		(24,458)
Profit (loss) on operating activities	(999)		(999)
Financial income, including:	9,016		9,016
interest on instruments measured at amortised cost	8,092		8,092
Finance cost, including:	(10,064)		(10,064)
interest on instruments measured at amortised cost	(8,620)		(8,620)
Earnings before tax	(2,047)		(2,047)
Income tax	1,300		1,300
Net profit (loss)	(747)		(747)

APPROVAL FOR PUBLICATION

The Parent Company's Management Board approved for publication these interim condensed consolidated and separate financial statements prepared for the period from 1 April 2024 to 31 December 2024, including comparative data, on 26 February 2025 (the "Approval Date").

President of Management Board

Barbara Rudziks

Vice President of Board

Maciej Szymański

Vice President of Board

Iwona Słomska

Board Member

Mateusz Boguta

Director of the Financial Accounting and Reporting Division

Ewa Palczewska-Dunia