



SEMI-ANNUAL REPORT FOR THE FIRST
HALF-YEAR 2015
INCLUDING
CONDENSED INTERIM
FINANCIAL STATEMENTS OF
FAST FINANCE S.A. FOR THE PERIOD
1 Jan. 2015 - 30 June 2015

in accordance with
International Financial Reporting Standards
as approved by the European Union

FAST FINANCE S.A.
ul. WOŁOWSKA 20
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Message to the Shareholders and Investors

Dear Shareholders and Investors,

On behalf of the Management Board of Fast Finance I present to you our interim report for the first six months of 2015.

In the first half of 2015, Fast Finance reported net sales revenues of close to PLN 14m (drop by 2.0%), recording at the same time a 3.7% increase in finance income and an increase in other operating revenues by as much as 103%. The efficient work of our entire team and the high quality of the debt portfolios under collection translated into our stable operating profit and into the generation in the first half of 2015 of a net profit of PLN 4.3m - up by 1.2% on the corresponding period of last year.



In the same period, the Company significantly reduced its debt, which, coupled with the increase of equity that, in accordance with the resolution of the General Meeting to approve the annual financial statements was increased by the amount of 2014 net profit, caused a favourable change in the ratio between debt and equity as well as a reduction of finance costs.

Successful collection of the existing debt portfolios as well as favourable macroeconomic conditions make the Management Board optimistic about the results of the second half of the year.

Using this opportunity I would like to inform that Ms Dorota Wiktoria Stempniak was appointed to our Supervisory Board. I believe that her professional and research track record will contribute to further growth of the Company and hence to increasing shareholder value.

I wish to thank the entire Fast Finance team whose hard work, diligence and advanced skills have yet again brought satisfying results. I invite you to read our semi-annual report.

Yours faithfully,

A handwritten signature in blue ink, which appears to read "Jacek Longin Daroszewski". The signature is fluid and cursive, written over a white background.

Jacek Longin Daroszewski
President of the Management Board

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Financial highlights

SELECTED FINANCIAL DATA, INCLUDING THE KEY ITEMS OF THE FINANCIAL STATEMENTS (ALSO TRANSLATED INTO THE EURO)

	Period ended 30/06/2015	Period ended 31/12/2014	Period ended 30/06/2014	Period ended 30/06/2015	Period ended 31/12/2014	Period ended 30/06/2014
	PLN'000	PLN'000	PLN'000	EUR'000	EUR'000	EUR'000
Net revenue from sales of products, trade goods and materials	13 950		14 237	3 374		3 406
Operating profit (loss)	6 611		6 625	1 599		1 585
Gross profit (loss)	5 331		5 247	1 290		1 255
Net profit (loss)	4 298		4 247	1 040		1 016
Net cash flows from operating activities	8 212		8 920	1 986		2 134
Net cash flows from investing activities	3 257		(3 992)	788		(955)
Net cash flows from financing activities	(7 311)		(2 330)	(1 768)		(557)
Total net cash flows	4 158		2 598	1 006		622
Total assets	306 202	302 495	290 019	73 003	70 970	69 701
Liabilities and provisions for liabilities	249 575	250 166	243 321	59 502	58 693	58 478
Non-current liabilities	203 457	191 645	185 590	48 507	44 963	44 603
Current liabilities	46 118	58 521	57 731	10 995	13 730	13 875
Equity	56 627	52 329	46 698	13 501	12 277	11 223
Share Capital	1 000	1 000	1 000	238	235	240
Number of shares	25 000 000		100 000 000	25 000 000		100 000 000
Earnings per ordinary share (in PLN/EUR)	0,17		0,04	0,04		0,01
Diluted earnings per ordinary share (in PLN/EUR)	0,17		0,04	0,04		0,01
Book value per share (in PLN/EUR)	2,27		0,47	0,54		0,11
Diluted book value per share (in PLN/EUR)	2,27		0,47	0,54		0,11
Dividend declared or paid per share (in PLN/EUR)	-		-	-		-

The average PLN to EUR exchange rates for the periods covered by the financial statements and for comparative periods are determined using the exchange rates published by the National Bank of Poland (NBP). The key items of the balance sheet, profit and loss account and cash flow statement in the presented financial statements and in comparative information have been translated into the euro.

Individual balance sheet items have been translated using the exchange rates quoted by the National Bank of Poland for the last day of the period – the mid rate for 30 June 2015 was PLN 4.1944, the mid rate for 31 December 2014 was PLN 4.2623.

Individual items of the profit and loss account and cash flow statement have been translated using the arithmetic mean of the mid rates quoted by the National Bank of Poland for EUR on the last day of each month of the reporting period.

The mid rate in the period 1 January 2015 – 30 June 2015 calculated as an arithmetic mean of the exchange rates prevailing on the last day of each month was EUR 1 = PLN 4,1341.

The mid rate in the period 1 January 2014 – 30 June 2014 calculated as an arithmetic mean of the exchange rates prevailing on the last day of each month was EUR 1 = PLN 4.1801.

Detailed financial data

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015 [FUNCTIONAL CLASSIFICATION]

	Note	Period ended 30/06/2015 PLN'000	Period ended 30/06/2014 PLN'000	Period ended 30/06/2015 EUR'000	Period ended 30/06/2014 EUR'000
Continued operations					
Revenues from receivables transfer agreements	5	13 950	14 236	3 374	3 406
Debt collection revenues	5	-	1	-	0
Revenue from sales of trade goods and materials	5	-	-	-	-
Receivables acquisition costs	7	(1 739)	(1 488)	(421)	(356)
Gross profit (loss) on sales		12 211	12 749	2 954	3 050
Selling costs		-	-	-	-
Overhead costs	7	(6 526)	(6 367)	(1 579)	(1 523)
Other operating revenue	8	1 069	526	259	126
Other operating expenses	9	(143)	(283)	(35)	(68)
Operating profit (loss)		6 611	6 625	1 599	1 585
Finance income	10	2 005	1 933	485	462
Finance costs	11	(3 285)	(3 311)	(795)	(792)
Profit (loss) before tax		5 331	5 247	1 290	1 255
Income tax	12	1 033	1 000	250	239
Net profit (loss) on continued operations		4 298	4 247	1 040	1 016
Discontinued operations					
Net profit (loss) on discontinued operations	13	-	-	-	-
Net profit (loss)		4 298	4 247	1 040	1 016
Other comprehensive income					
Income tax relating to components of other comprehensive income	12	-	-	-	-
Other comprehensive net income		-	-	-	-
Total income for the period		4 298	4 247	1 040	1 016
Earnings per share					
(in PLN per share)					
Basic	15	0,17	0,04	0,04	0,01
Diluted		0,17	0,04	0,04	0,01

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Not e	As at 30/06/2015 PLN'000	As at 31/12/2014 PLN'000	As at 30/06/2014 PLN'000
ASSETS				
Fixed assets				
Tangible fixed assets	16	1 075	1 277	1 536
Investment properties	17	-	-	-
Goodwill	18	-	-	-
Other intangible assets	19	-	-	-
Investments in associates		-	-	-
Deferred tax assets	12	481	296	276
Finance lease receivables		-	-	-
Other financial assets	23	16 066	15 913	9 302
Other assets	24	366	182	457
Total fixed assets		17 988	17 668	11 571
Current assets				
Inventories	25	4	-	-
Trade and other receivables receivables	26	186 388	184 552	181 020
Finance lease receivables		-	-	-
Other financial assets	23	39 990	41 395	34 968
Current tax assets	12	-	62	-
Other assets	24	54 454	55 598	57 213
Cash and cash equivalents	37	7 378	3 220	5 247
Assets classified as held for sale	14	-	-	-
Total current assets		288 214	284 827	278 448
Total assets		306 202	302 495	290 019

STATEMENT OF FINANCIAL POSITION (CONT'D)

	Note	As at 30/06/2015 PLN'000	As at 31/12/2014 PLN'000	As at 30/06/2014 PLN'000
LIABILITIES AND SHAREHOLDERS' EQUITY				
Equity				
Share capital	27	1 000	1 000	1 000
Share premium	27	-	-	-
Reserve capital	28	51 329	41 451	41 451
Retained earnings	29	4 298	9 878	4 247
Items recognised directly in equity, connected with assets classified as held for sale	14	-	-	-
Equity attributable to the shareholders of the entity		-	-	-
Equity attributable to the noncontrolling interest		-	-	-
Total shareholders' equity		56 627	52 329	46 698
Non-current liabilities				
Long-term loans	30	37 809	26 953	26 758
Other financial liabilities	31	582	716	911
Pension liabilities		-	-	-
Deferred tax provision	12	2 043	2 078	1 005
Long-term provisions	32	-	-	-
Deferred income	35	163 023	161 898	156 916
Other liabilities	33	-	-	-
Total non-current liabilities		203 457	191 645	185 590
Current liabilities				
Trade payables and other liabilities	34	2 256	1 599	1 337
Short-term loans	30	13 619	34 554	32 348
Other financial liabilities	31	299	377	291
Current tax liabilities	12	835	-	217
Short-term provisions	32	495	274	306
Deferred income	35	20 963	20 593	22 459
Other liabilities	33	7 651	1 124	773
Liabilities relating directly to fixed assets classified as held for sale	14	-	-	-
Total current liabilities		46 118	58 521	57 731
Total liabilities		249 575	250 166	243 321
Total equity and liabilities		306 202	302 495	290 019

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014

	Share capital	Share premium	Total reserve capital	Fixed assets revaluation reserve	Investment revaluation reserve	Retained profit	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As at 1 January 2014	1 000	-	33 221	-	-	8 230	42 451
Additions	-	-	8 230	-	-	4 247	12 477
Disposals	-	-	-	-	-	(8 230)	(8 230)
	1 000	-	41 451	-	-	4 247	46 698
Other comprehensive income	-	-	-	-	-	-	-
As at 30 June 2014	1 000	-	41 451	-	-	4 247	46 698

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

	Share capital	Share premium	Total reserve capital	Fixed assets revaluation reserve	Investment revaluation reserve	Retained profit	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As at 1 January 2015	1 000	-	41 451	-	-	9 878	52 329
Additions	-	-	9 878	-	-	4 298	14 176
Disposals	-	-	-	-	-	(9 878)	(9 878)
	1 000	-	51 329	-	-	4 298	56 627
Other comprehensive income	-	-	-	-	-	-	-
As at 30 June 2015	1 000	-	51 329	-	-	4 298	56 627

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 1 JANUARY 2014 TO 31 DECEMBER 2014

	Share capital	Share premium	Total reserve capital	Fixed assets revaluation reserve	Investment revaluation reserve	Retained profit	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As at 1 January 2014	1 000	-	33 221	-	-	8 230	42 451
Additions	-	-	8 230	-	-	9 878	18 108
Disposals	-	-	-	-	-	(8 230)	(8 230)
	1 000	-	41 451	-	-	9 878	52 329
Other comprehensive income	-	-	-	-	-	-	-
As at 31 December 2014	1 000	-	41 451	-	-	9 878	52 329

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015 [INDIRECT METHOD]

	Note	Period	Period
		ended 30/06/2015	ended 30/06/2014
		PLN'000	PLN'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) for the financial year		4 298	4 247
Total adjustments		3 914	4 673
Depreciation		202	285
Foreign exchange gains (losses)		-	-
Interest and share in profits (dividends)		1 304	1 400
Profit (loss) from investing activities		4	140
Change in provisions		186	26
Change in inventories		(4)	-
Change in receivables		(1 774)	(5 715)
Change in current liabilities, excluding financial liabilities		1 725	460
Change in prepayments and accrued income		2 270	8 048
Other adjustments		1	29
Net cash from operating activities		8 212	8 920
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		-	-
Disposal of intangible assets		-	-
Acquisition of fixed tangible assets		(25)	(1 223)
Disposal of fixed tangible assets		104	1 052
Acquisition of investment properties		-	-
Disposal of investment properties		-	-
Acquisition of financial assets available for sale		-	(780)
Sale of financial assets available for sale		-	-
Loans advanced		-	(4 960)
Repayments of loans advanced		-	1 798
Interest received		3 178	121
Dividend received		-	-
Net cash (used) / generated by investing activities		3 257	(3 992)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from share issue		-	-
Purchase of own shares		-	-
Proceeds from the issue of debt securities		26 268	2 730
Redemption of debt securities		(35 909)	-
Proceeds from loans and credits payable		6 510	8 395
Repayment of credits and loans		(510)	(9 974)
Payments under finance lease agreements		(200)	(422)
Dividend paid		-	-
Interest paid		(2 840)	(3 275)
Other cash inflows from financing activities		2	216
Other cash outflows on financing activities		(632)	-
Net cash used in financing activities		(7 311)	(2 330)
TOTAL NET CASH FLOWS		4 158	2 598
CASH AT THE BEGINNING OF THE PERIOD	37	3 220	2 649
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	37	7 378	5 247

Notes to the financial statements as at 30 June 2015

1. GENERAL OVERVIEW

1.1. Company details

Name and registered office: Fast Finance Spółka Akcyjna we Wrocławiu,
registered office: ul. Wołowska 20, 51-116 Wrocław,
tel.: +48 71 361 20 42,
fax: +48 71 361 20 42,
email: biuro@fastfinance.pl Website: www.fastfinance.pl

FAST FINANCE has been in the market since 2004. The Company was established as a result of transformation of its legal predecessor – Fast Finance Spółka z ograniczoną odpowiedzialnością (LLC) into Fast Finance Spółka Akcyjna (joint stock company). The resolution on the transformation was approved by the Extraordinary General Meeting of Fast Finance Spółka z ograniczoną odpowiedzialnością which was recorded by Notary Robert Bronszajn of a notary's office in Wrocław at Rynek 7, Wrocław, Rep. A No. 264/2008 on 15 January 2008. The transformation was registered by the District Court in Wrocław, 6th Commercial Division of the National Court Register on 19 February 2008. The Issuer is registered in the National Court Register under number KRS 0000299407. Until 18 February 2008 the Issuer was registered under number KRS 0000210322 of the National Court Register.

The Issuer's core business includes purchasing of consumer debts and their recovery on its own account. Upon purchasing the debt portfolios in a receivables transfer agreement, the Issuer becomes the owner of the debts and acquires the right to pursue claims against the debtors. As the owner of the receivables, the Issuer takes efforts to collect them on its own account. The Issuer provides management services with respect to its own securitization fund FAST FINANCE NS FIZ for which it provides its debt collection activities.

Issuer's duration: indefinite.

Members of the Management Board:

President of the Management Board	Jacek Longin Daroszewski
Deputy President of the Management Board	Jacek Zbigniew Krzeminski

Members of the Supervisory Board:

Andrzej Kiełczewski	Chairman of the Supervisory Board
Dorota Wiktoria Stempniak	Member of the Supervisory Board
Marek Ochota	Member of the Supervisory Board
Grzegorz Kawczak	Member of the Supervisory Board
Hildegarda Kaufeld	Member of the Supervisory Board

Until the date hereof, there have been no changes to the composition of the Management Board or the Supervisory Board.

1.2. Functional currency and reporting currency

These financial statements have been made in Polish Zloty (PLN). PLN is the functional and reporting currency of Fast Finance S.A., the data in the financial statements are presented in full PLN unless in certain situations the amounts are provided with less accuracy.

2. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1. Compliance statement

These financial statements have been made on the basis of International Financial Reporting Standards as approved by the European Union (UE) in force as at 30 June 2015.

In the reporting period, the Company did not introduce any material changes in the accounting policies as compared with the ones followed in the financial statements published for 2014.

These financial statements have been made in accordance with IAS 34 "Interim Financial Reporting" and in accordance with the relevant accounting policies applicable to interim financial reporting – adopted, published and valid at the time of preparation of the Condensed Interim Financial Statements.

2.2. Changes in accounting policies

In the reporting period the Company did not make any material changes to the accounting policies that would affect the measurement and the presented results of operations. The implemented changes were aimed to adjust the layout and presentation to ensure compliance with the International Financial Reporting Standards.

3. ACCOUNTING POLICIES APPLIED

3.1. Accounting policies - description of key accounting principles.

The following accounting policies were applied in the preparation of the financial statements which include measurement methods of assets and liabilities as well as income and expenses and calculation of profit (loss). The policies presented below were applied to all the periods presented in the financial statements.

Accrual basis

The books of account and profit and loss account incorporate all revenues and the related expenses that occurred in the financial year, irrespective of the date of actual payment.

Matching principle

Assets or liabilities of an accounting period include income or expenses payable in future periods and the attributable expenses that have not yet been paid.

Prudence principle

The financial result provides for impairment of assets, including depreciation/amortisation charges, exclusively undisputed other operating income and extraordinary gains, all other incurred operating expenses and extraordinary losses, provisions for identified risks.

Consistency principle

Booking entries are made on a consistent basis. The corresponding items of the closing balance sheet of assets and liabilities are recognised in the same amounts in the opening balance sheet of the subsequent financial year.

Measurement of assets, liabilities and profit

The Company's financial statements show economic events in accordance with their substance. The financial result of the Company for the financial year covers all collected and due revenues and the related expenses on an accrual basis, in line with the principles of matching of revenues and expenses and of prudent valuation.

Intangible assets and fixed assets

Intangibles and fixed assets with a value below the amount specified in the Corporate Income Tax Act permitting such assets to be expensed are depreciated by expensing their value in the month when they were put to use.

The initial value of intangible assets and fixed assets is reduced by depreciation charges.

Intangible assets and fixed assets with a value in excess of the amount set forth in the Corporate Income Tax Act are subject to depreciation by way of systematic planned write-offs of the initial value over the applicable depreciation period.

The period and methods of depreciation depend on their economic useful life.

As at the day of putting intangible assets and fixed assets to use, the depreciation method and rates are identified in accordance with the depreciation principles of fixed assets applied by the Company. The depreciation methods are not subject to change and are applied consistently throughout the useful economic life of a respective asset. Depreciation is accrued on a monthly basis.

The initial value of intangible assets and fixed assets is increased in include their improvement costs. The value of improvements not exceeding the amount specified in the Corporate Income Tax Act permitting to expense the costs of such improvements are expensed when the relevant improvement costs for intangible assets are incurred.

The Company depreciates intangible assets and fixed assets using the straight line basis.

Intangible assets are amortised on a straight line basis over their anticipated useful life at the following rates:

Costs of R&D work	20%
Goodwill	10%
Acquired property rights, licenses and franchises	20%
Computer software	50%
Other intangible assets	10-20%

Fixed assets are depreciated on a straight line basis over their anticipated useful life at the following rates:

Perpetual usufruct right of land	2,5%
Buildings and structures	2,5%
Plant and machinery (with the exception of computer hardware)	14-20%
Computer hardware	33%
Transport vehicles	20%
Other fixed assets	10-25%

If the Company uses third party fixed assets or intangible assets under a contract whereby a party (lessor, financing party) gives the other party (the lessee) fixed assets or intangible assets for use for a fee and for collecting profits for a specified period of time, such assets are classified as the lessee's fixed assets. For the above, at least one of the following requirements has to be satisfied:

- the lessor transfers the title to the asset to the lessee following expiry of the original term of the contract,
- the contract provides for a buy option by the lessee following the expiration of the original term of the lease, at a price below market value from the date of acquisition,
- the term of the contract is approximately equivalent to the economic useful life of the fixed asset or right and it may not be shorter than 3/4 of such period; after the expiry of the contractual period the title to the asset may be transferred to the lessee,
- the sum of fees, less any discount, determined at contract conclusion and payable during the term of the contract, is in excess of 90% of the market value of the asset as at that day; the sum of fees includes the residual value of the asset that the lessee will pay for transfer of the title to the asset; the sum of fees does not include any payments by the lessee for any additional services, taxes or insurance premiums related to the asset if the lessee makes such payments apart from the fees for the use thereof,

- the contract includes a promise of the lessor to enter with the lessee into another lease contract regarding the same asset or to extend the existing contract on conditions more favourable than the conditions of the existing contract,
- the contract provides for termination of the contract, provided that all relevant costs and losses incurred by the lessor are reimbursed by the lessee,
- the asset has been customised to suit the lessee's individual needs, and without material modifications it may be used solely by the lessee.

Fixed assets under construction

Fixed assets under construction are measured as the total expenses directly related to the purchase or manufacture thereof less impairment charges; the cost of fixed assets under construction includes all expenses incurred by the Company during the construction, assembly, adjustment or improvement of such assets until the balance sheet date or putting them to use, including:

- non-deductible VAT and excise duty,
- servicing costs of liabilities incurred to finance such assets and the related FX differences less FX gains.

Tangible current assets

The Company does not keep a register of materials and trade goods.

Long-term receivables, short-term receivables and claims

Domestic receivables are disclosed at nominal value, i.e. the value determined at recognition. At the balance sheet date, they are disclosed in amounts payable, subject to prudent valuation.

Short-term receivables include purchased and verified receivables to which the Company holds legal title and confirmation by creditors. Such receivables are measured as at the balance sheet date in amounts payable broken down by those payable within twelve months from the balance sheet date and after more than twelve months from such date. As at the balance sheet date, receivables are measured in amounts payable less impairment charges, if any.

Receivables denominated in foreign currencies are measured as at the balance sheet date at the buy FX rate applied by the Company's house bank which however may not be higher than the mid rate for the currency published by NBP for the week.

Long-term investments

As at the balance sheet date, interests in other entities and other investments are measured at cost less impairment charges, if any. After initial recognition at cost, shares and other interests are measured and adjusted to the realisable value. The difference is recognised as financial costs. Shares in related undertakings are measured at cost less impairment charges or at fair value. Items valued at cost are revalued to market values or using the equity method.

Short-term investments

Short-term investments are measured not less frequently than as at the balance sheet date at cost or at market value, whichever is lower, and short-term investments for which there is no active market are carried at fair value.

If an investment is measured at market value, the difference between the higher cost and lower market value is charged to finance costs.

If the reason for which an impairment charge was made no longer exists, the whole or part of the respective portion of the impairment charge increases the value of a given asset and is recognised in other finance income.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand bank deposits, other short-term investments with the original maturity up to three months from their start, receipt, acquisition or issue and of high liquidity. They are carried at nominal value. Receivables denominated in foreign currencies are measured as at the balance sheet date at the buy FX rate applied by the Company's house bank which however may not be higher than the mid-rate for the currency published by NBP for the week.

Equity

Shareholders' equity is stated at nominal value by type and in accordance with the provisions of law and of the Articles of Association.

Share capital is shown in the financial statements at the value given in the Articles of Association and registered in the National Court Register.

Rules for provisions

Provisions are measured at reasonable, reliably estimated amounts.

Provisions are established for: certain or highly probable future liabilities that can be reliably assessed, in particular for losses on business under way. In particular, provisions may be established for:

- losses on pending transactions like guarantees and sureties granted, credit operations and results of litigation pending,
- future liabilities due to restructuring, if on the basis of separate legislation the Company is obliged to conduct such restructuring or if binding contracts have been signed, and restructuring plans enable a reliable estimation of the value of such future liabilities,
- deferred income tax,
- employee benefits.

Non-current and current liabilities

Liabilities are measured in amounts payable. Liabilities denominated in foreign currencies are measured as at the balance sheet date at the sell FX rate applied by the Company's house bank which however may not be higher than the mid-rate for the currency published by NBP for the week.

Deferred income

Deferred income includes purchased and verified long-term and short-term receivables.

Determination of profit

Sales revenues include amounts recovered or due from debtors.

The costs of operating activity that can be directly attributed to the revenues generated by the entity affect the financial result of the entity in the reporting period when such revenues were generated. The costs that may be only indirectly attributed to revenues or to other benefits achieved by the entity affect the entity's profit or loss in the part in which they relate to a given reporting period, ensuring their matching to revenues or other economic benefits.

Other operating revenues and expenses

Other operating revenues and expenses include in particular items related to:

- disposal of fixed assets, fixed assets under construction, intangible assets,
- write-off of receivables and liabilities that are time-barred, amortized, uncollectible, except for regulatory receivables and liabilities that are not charged to costs and expenses,
- the creation and release of provisions, except for the provisions concerning financial operations,
- impairment charges to assets and their adjustments, except for charges charged to the costs of products or goods sold, including selling costs or finance costs,
- damages, penalties and fines,

- transfer or receipt free of charge, including by way of gift, of assets, including cash for other purposes than purchase or manufacturing fixed assets, fixed assets under construction or intangible assets.

Finance income and finance costs

Finance income and finance costs include in particular the income and costs relating to:

- disposal of financial fixed assets and investments,
- impairment of financial assets and investments,
- profit distributions from other entities,
- interest accrued, paid and received,
- realized and unrealized exchange differences,
- other items related to financing activities.

Finance income and finance costs are recognised in the financial statements in accordance with the prudence and matching principle.

Income tax and deferred tax

Income tax includes actual tax payables for the reporting period, determined in accordance with the act on corporate income tax and the change in deferred tax assets and deferred tax provision.

In connection with temporary differences between the book value of assets and liabilities and their tax value, the Company establishes a deferred income tax provision and asset.

The tax value of assets is the amount reducing the income tax base when economic benefits are generated from such assets directly or indirectly. If economic benefits generated from such assets do not reduce the income tax base, the tax value of assets is equal to their book value.

The tax value of liabilities is their book value reduced by amounts that will reduce the income tax base in the future.

The deferred income tax asset is determined as the amount to be deducted in the future from income tax in connection with temporary negative differences that in the future will reduce the income tax base and a tax loss that may be deductible, subject to the rule of prudent valuation.

The deferred income tax provision is recognised as the amount of income tax payable in the future in connection with temporary positive differences that will result in an increase of the income tax base in the future.

The amounts of the deferred income tax provision and asset are determined at the income tax rates prevailing in the year when the tax liability arises. Income tax provision and asset are disclosed separately in the balance sheet. Income tax provision and asset referring to transactions recognised in equity are recognised in equity.

4. MATERIAL VALUES BASED ON PROFESSIONAL JUDGMENT AND ESTIMATES

4.1. Professional judgment

In preparing financial statements, the Management uses estimates relying on assumptions and judgments that affect the applied accounting policies and the disclosed values of assets, liabilities, revenues and expenses. Assumptions and the resultant estimates are based on historical experience and on the analysis of multiple factors deemed reasonable and the results underlie professional judgment as to the value of the relevant item. In certain material issues the Management relies on opinions of independent experts. The estimates and assumptions that are material for the Company's financial statements are presented herein.

5. REVENUES

Analysis of sales revenues for the current year from continued and discontinued operations

	Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
	PLN'000	PLN'000
Continued operations		
Revenues from receivables transfer agreements	13 950	14 236
Debt collection revenues	-	1
Revenue from sales of trade goods and materials	-	-
	<u>13 950</u>	<u>14 237</u>
including excise duty	-	-
Discontinued operations		
Revenues from receivables transfer agreements	-	-
Debt collection revenues	-	-
Revenue from sales of trade goods and materials	-	-
	<u>13 950</u>	<u>14 237</u>

6. OPERATING SEGMENTS

The Company does not identify operating segments as its business is uniform. The Company does not operate abroad.

7. OPERATING EXPENSES

	Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
	PLN'000	PLN'000
Continued operations		
Change in products	(220)	272
Manufacturing cost of products for the entity's own purposes	-	-
Depreciation	202	285
Consumption of raw materials and materials	72	90
Outsourced services	899	1 224
Costs of employee benefits	2 514	2 575
Taxes and charges	2 785	2 133
Other costs	54	60
Cost of trade goods and materials sold	<u>1 739</u>	<u>1 488</u>
Total operating expenses	8 045	8 127
including excise duty	-	-
	<u>8 045</u>	<u>8 127</u>

The average headcount in FTEs was as follows: 57.76 in the 1st half-year of 2015, 58.71 in the 1st half-year of 2014. Average headcount was: 61.42 in H1 2015, 62.71 in H1 2014.

7.1. Impairment of financial assets

	Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
	PLN'000	PLN'000
Impairment of trade and other receivables	193	193
Impairment of other receivables from other entities	-	-
	<u>193</u>	<u>193</u>
Reversal of impairment of trade receivables	-	(3)
Reversal of impairment of other receivables	-	-
	-	(3)
Attributable to:		
Continued operations	193	190
	<u>193</u>	<u>190</u>

7.2 Depreciation and impairment

	Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
	PLN'000	PLN'000
Depreciation of tangible fixed assets	202	285
Total depreciation and amortisation	<u>202</u>	<u>285</u>
Attributable to:		
Continued operations	202	285
	<u>202</u>	<u>285</u>

7.3 Tax-deductible R&D costs

In the reporting period there were no R&D costs.

7.4 Costs of employee benefits

	Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
	PLN'000	PLN'000
Severance accruals	-	-
Other employee benefits	2 514	2 575
	<u>2 514</u>	<u>2 575</u>
Attributable to:		
Continued operations	2 514	2 575
	<u>2 514</u>	<u>2 575</u>

8. OTHER OPERATING REVENUE

Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
PLN'000	PLN'000

Gains on disposal of assets:

Gains on disposal of fixed assets	-	162
	-	162

Released impairment charges:

Intangible assets	-	-
Tangible fixed assets	-	-
Financial assets	-	-
Trade receivables	-	3
Other	-	-
	-	3

Other operating income:

Lease income	-	-
Reimbursement of stamp duty	536	213
Revenue from the sale of court fee stamps	-	-
Adjustments to previous years	-	-
NZFIZ Management	483	140
Sale of car purchased following a lease	-	-
Subsidies	2	-
Other	48	8
	1 069	526

Attributable to continued operations

1 069	526
1 069	526

9. OTHER OPERATING EXPENSES

	Period ended 30/06/2015 PLN'000	Period ended 30/06/2014 PLN'000
Losses on disposal of assets:		
Loss on disposal of fixed assets	-	140
Loss on disposal of investment properties	-	-
	-	140
Impairment write-downs, including:		
Financial assets	-	-
Trade receivables	-	92
Other	-	-
	-	92
Other operating expenses:		
Cost of receivables written off	-	-
Adjustments to previous years	105	-
Loss on disposal of non-financial fixed assets	4	-
Enforcement costs, reminder costs - budget, other - non tax-deductible	17	-
Selling costs of court fee stamps	-	-
Other	17	51
	143	283

Attributable to:

Continued operations	143	283
	<u>143</u>	<u>283</u>

10. FINANCE INCOME

	Period ended <u>30/06/2015</u> PLN'000	Period ended <u>30/06/2014</u> PLN'000
Interest income:		
Bank deposits	3	4
Other loans and receivables	118	117
Accrued balance sheet interest	<u>1 882</u>	<u>1 812</u>
	2 003	1 933
Other finance income:		
Adjustments to previous years	-	-
Premiums on bonds issues	2	-
Balance sheet valuation of lines of credit	<u>-</u>	<u>-</u>
	<u>2 005</u>	<u>1 933</u>
Attributable to:		
Continued operations	2 005	1 933
	<u>2 005</u>	<u>1 933</u>

Interest income from financial assets by asset categories:

	As at <u>30/06/2015</u> PLN'000	As at <u>30/06/2014</u> PLN'000
Loans and receivables (including cash in hand and bank deposits)	<u>121</u>	<u>121</u>
	121	121

11. FINANCE COSTS

	Period ended <u>30/06/2015</u> PLN'000	Period ended <u>30/06/2014</u> PLN'000
Interest costs:		
Interest on lines of credit, loans, bonds	1 414	1 258
Interest on finance lease payables	31	110
Accrued balance sheet interest	1 197	1 541
Interest paid to counterparties	<u>11</u>	<u>16</u>
Total interest costs	<u>2 653</u>	<u>2 925</u>
Other finance costs:		
Commission on the issue of bonds, lines of credit	632	368
Balance sheet valuation of lines of credit	-	18

Other finance costs	-	-
	<u>3 285</u>	<u>3 311</u>
Attributable to:		
Continued operations	3 285	3 311
	<u>3 285</u>	<u>3 311</u>

12. INCOME TAX

12.1. Income tax recognised in the profit and loss account

	As at 30/06/2015	As at 30/06/2014
	PLN'000	PLN'000
Current income tax:		
Current tax charge	1 252	670
Adjustments recognised in the current year in relation to previous years tax	-	-
	<u>1 252</u>	<u>670</u>
Deferred income tax:		
Deferred income tax relating to origination and reversal of temporary differences	(219)	330
	<u>(219)</u>	<u>330</u>
Total tax charge/ (income)	<u>1 033</u>	<u>1 000</u>
Attributable to:	-	-
Continued operations	<u>1 033</u>	<u>1 000</u>
	<u>1 033</u>	<u>1 000</u>

12.2. Income tax recognised directly in equity

None was recognised in the reporting period.

12.3. Income tax recognised in other components of comprehensive income

None was recognised in the reporting period.

12.4. Current tax asset and liability

	As at 30/06/2015	As at 31/12/2014	As at 30/06/2014
	PLN'000	PLN'000	PLN'000
Current tax assets			
Tax receivable	-	62	-
Other	-	-	-
	<u>-</u>	<u>62</u>	<u>-</u>
Current tax liabilities	835	-	217
	<u>835</u>	<u>-</u>	<u>217</u>

12.5. Net deferred income tax

Period ended 30/06/2014	At the beginning of period PLN'000	Recognized in P&L PLN'000	Other PLN'000	As at the end of period PLN'000
Temporary differences related to deferred income tax assets:				
Provisions (accruals)	(149)	(123)	-	(272)
Unpaid social insurance premiums (employer)	77	13	-	90
Unpaid salaries	56	(56)	-	-
Interest accrued on liabilities	1 544	(3)	-	1 541
Interest paid (asset created in the previous year)	-	-	-	-
Other financial liabilities	-	-	-	-
Deferred income (revaluation of receivables)	98	(6)	-	92
Other	-	-	-	-
	<u>1 626</u>	<u>(175)</u>	<u>-</u>	<u>1 451</u>
Temporary differences related to deferred income tax provision:				
Accrued interest on receivables	3 727	1 565	-	5 292
Finance lease	-	-	-	-
Other	-	-	-	-
	<u>3 727</u>	<u>1 565</u>	<u>-</u>	<u>5 292</u>
Total deferred income tax assets (provision)	<u>5 353</u>	<u>1 390</u>	<u>-</u>	<u>6 743</u>

Period ended 30/06/2015	At the beginning of period PLN'000	Recognized in P&L PLN'000	Other PLN'000	As at the end of period PLN'000
Temporary differences related to deferred income tax assets:				
Provisions (accruals)	(303)	523	-	220
Unpaid social insurance premiums (employer)	89	10	-	99
Unpaid salaries	57	(52)	-	5
Interest accrued on liabilities	1 554	(357)	-	1 197
Interest paid (asset created in the previous year)	-	-	-	-
Other financial liabilities	-	-	-	-
Finance lease	65	938	-	1 003
Deferred income (revaluation of receivables)	95	(95)	-	-
Other	-	5	-	5
	<u>1 557</u>	<u>972</u>	<u>-</u>	<u>2 529</u>
Temporary differences related to deferred income tax				

provision:

Accrued interest on receivables	8 038	1 788	-	9 826
Finance lease	-	928	-	928
Financial assets				
available for sale	2 898	(2 898)	-	-
Other	-	-	-	-
	<u>10 936</u>	<u>(182)</u>	<u>-</u>	<u>10 754</u>
Total				
deferred income tax				
assets (provision)	<u>12 493</u>	<u>790</u>	<u>-</u>	<u>13 283</u>

Deferred income tax provisions were disclosed in the statement of financial position in the following items:

	<u>30/06/2015</u>	<u>31/12/2014</u>	<u>30/06/2014</u>
	PLN'000	PLN'000	PLN'000
Deferred tax provision	<u>2 043</u>	<u>2 078</u>	<u>1 005</u>

Income tax assets were disclosed in the statement of financial position in the following items:

	<u>30/06/2015</u>	<u>31/12/2014</u>	<u>30/06/2014</u>
	PLN'000	PLN'000	PLN'000
Deferred tax assets	<u>481</u>	<u>296</u>	<u>276</u>

12.6. Unrecognised deferred income tax asset

None occurred in the reporting period.

12.7. Unrecognised temporary differences relating to investments in subsidiaries

None occurred in the reporting period.

13. DISCONTINUED OPERATIONS

13.1. Disposal of business

None occurred in the reporting period.

13.2. Plan to dispose of business

The Company does not plan to dispose of any part of its business.

13.3. Analysis of profit on discontinued operations in the financial year

Not applicable.

14. FIXED ASSETS HELD FOR SALE

The Company holds no fixed assets held for sale.

15. EARNINGS PER SHARE

	Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
	PLN 0.01 per share	PLN 0.01 per share
Basic earnings per share		
From continued operations	<u>0,17</u>	<u>0,04</u>
Total basic earnings per share	<u>0,17</u>	<u>0,04</u>
Diluted earnings per share		
From continued operations	<u>0,17</u>	<u>0,04</u>
Total diluted earnings per share	<u>0,17</u>	<u>0,04</u>

15.1. Basic earnings per share

Profit and weighted average number of ordinary shares used to calculate basic earnings per share:

	Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
	PLN'000	PLN'000
Profit for the financial year attributable to the entity's shareholders	4 298	4 247
Other	<u>-</u>	<u>-</u>
Profit used to calculate basic earnings per share	4 298	4 247
	Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
	PLN'000	PLN'000
Weighted average number of ordinary shares used to calculate earnings per share	<u>25 000</u>	<u>100 000</u>

15.2. Diluted earnings per share

The profit used to calculate the diluted earnings per share is as follows:

	Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
	PLN'000	PLN'000
Profit for the financial year attributable to the entity's shareholders	<u>4 298</u>	<u>4 247</u>

Profit used to calculate diluted earnings per share	4 298	4 247
Profit used to calculate basic earnings per share from continued operations	<u>4 298</u>	<u>4 247</u>

The weighted average number of shares used to compute diluted earnings per share is reconciled to the weighted average of shares used to compute basic earnings per share in the following manner:

	Period ended 30/06/2015	Period ended 30/06/2014
	PLN'000	PLN'000
Weighted average number of ordinary shares used to calculate earnings per share	25 000	100 000
Weighted average number of ordinary shares used to calculate diluted earnings per share	<u>25 000</u>	<u>100 000</u>

16. TANGIBLE FIXED ASSETS

	As at 30/06/2015	As at 31/12/2014	As at 30/06/2014
	PLN'000	PLN'000	PLN'000
Gross value	3 258	3 258	3 436
Debt forgiveness	<u>(2 183)</u>	<u>(1 981)</u>	<u>(1 900)</u>
	1 075	1 277	1 536
Freehold land (at fair value)	-	-	-
Buildings (at fair value)	18	19	21
Technical equipment and machinery	19	25	32
Transport vehicles	967	1 136	1 360
Other fixed assets	<u>71</u>	<u>97</u>	<u>123</u>
	1 075	1 277	1 536
Fixed assets under construction	-	-	-
Advances for construction in progress	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

	Land (freehold) at fair value	Buildings at fair value	Technical equipment and machinery	Transport vehicles	Other fixed assets	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Gross value						
As at 30 June 2014	-	33	102	3 012	289	3 436
Increase	-	-	-	-	-	-
Disposals, liquidation	-	-	-	(178)	-	(178)
Internal transfer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
As at 31 December 2014	-	33	102	2 834	289	3 258

Increase	-	-	-	-	-	-
Disposals, liquidation	-	-	-	-	-	-
Decreases (adjustments)	-	-	-	-	-	-
As at 30 June 2015	-	33	102	2 834	289	3 258

	Land (freehold) at fair value PLN'000	Buildings at fair value PLN'000	Technical equipment and machinery PLN'000	Transport vehicles PLN'000	Other fixed assets PLN'000	Total PLN'000
Depreciation and impairment						
As at 30 June 2014	-	12	70	1 652	166	1 900
Elimination following disposal of assets	-	-	-	(172)	-	(172)
Depreciation costs	-	2	7	218	26	253
Internal transfer	-	-	-	-	-	-
As at 31 December 2014	-	14	77	1 698	192	1 981
Elimination following disposal of assets	-	-	-	-	-	-
Depreciation costs	-	1	6	169	26	202
Net foreign exchange differences	-	-	-	-	-	-
Internal transfer	-	-	-	-	-	-
As at 30 June 2015	-	15	83	1 867	218	2 183

16.1. Impairment

None.

16.2. Land owned and buildings disclosed at fair value

None.

16.3. Assets used as collateral

None.

17. INVESTMENT PROPERTIES

None.

18. GOODWILL

None.

19. OTHER INTANGIBLE ASSETS

None.

20. SUBSIDIARY COMPANIES

None.

21. INVESTMENTS IN SUBSIDIARIES

None.

22. JOINT VENTURES

None.

23. OTHER FINANCIAL ASSETS

	As at 30/06/2015	As at 31/12/2014	As at 30/06/2014
	PLN'000	PLN'000	PLN'000
Investments available for sale shown at fair value			
Shares in subsidiary	-	-	-
Other financial assets (economic rights)	885	964	1 438
Investment certificates	13 533	13 533	4 265
	<u>14 418</u>	<u>14 497</u>	<u>5 703</u>
Loans at amortized cost			
Loans granted to related parties	-	-	-
Loans to other entities	41 638	42 811	38 567
	<u>41 638</u>	<u>42 811</u>	<u>38 567</u>
	56 056	57 308	44 270
Current assets	39 990	41 395	34 968
Fixed assets	16 066	15 913	9 302
	<u>56 056</u>	<u>57 308</u>	<u>44 270</u>

24. OTHER ASSETS

	As at 30/06/2015	As at 31/12/2014	As at 30/06/2014
	PLN'000	PLN'000	PLN'000
Prepayments and accrued income - long-term	366	182	457
Prepayments and accrued income - short-term	54 454	55 598	57 213
	<u>54 820</u>	<u>55 780</u>	<u>57 670</u>
Current assets	54 454	55 598	57 213
Fixed assets	366	182	457
	<u>54 820</u>	<u>55 780</u>	<u>57 670</u>

25. INVENTORIES

	As at 30/06/2015	As at 31/12/2014	As at 30/06/2014
	PLN'000	PLN'000	PLN'000
Materials	-	-	-
Trade goods	4	-	-
Finished products	-	-	-

4 - -
4 - -

26. TRADE AND OTHER RECEIVABLES

	As at <u>30/06/2015</u> PLN'000	As at <u>31/12/2014</u> PLN'000	As at <u>30/06/2014</u> PLN'000
Trade receivables	184 516	182 909	179 797
Provision for doubtful accounts	(193)	(193)	(190)
	<u>184 323</u>	<u>182 716</u>	<u>179 607</u>
Receivables under disposal of investments	1 215	1 215	1 215
Budgetary receivables other than corporate income tax	28	55	14
Other receivables (settlements with employees, deposits, other)	822	566	184
	<u>186 388</u>	<u>184 552</u>	<u>181 020</u>

26.1 Trade receivables

	As at <u>30/06/2015</u> PLN'000	As at <u>30/06/2014</u> PLN'000
At the beginning of year	(193)	(101)
Impairment charges against receivables	-	(92)
Amounts written off as uncollectible	-	-
Amounts recovered during the year	-	3
Reversal of impairment charges	-	-
Unwinding of discount	-	-
At end of financial year	<u>(193)</u>	<u>(190)</u>

27. SHARE CAPITAL

	As at <u>30/06/2015</u> PLN'000	As at <u>31/12/2014</u> PLN'000	As at <u>30/06/2014</u> PLN'000
Share capital	1 000	1 000	1 000
Share premium	-	-	-
	<u>1 000</u>	<u>1 000</u>	<u>1 000</u>

The share capital is composed of:
25,000,000 ordinary shares fully covered, nominal value
per share - PLN 0.04

- - -
- - -
1 000 **1 000** **1 000**

27.1 Ordinary fully paid-up shares

	Number of shares	Share capital	Share premium
	PLN	PLN	PLN
As at 30 June 2014	100 000	100 000	-
Re-split of shares	(75 000)	-	-
Issue of shares under advisory services	-	-	-
Share buy-back	-	-	-
Costs of share buy-back	-	-	-
Related income tax	-	-	-
As at 31 December 2014	<u>25 000</u>	<u>100 000</u>	<u>-</u>
As at 30 June 2015	<u>25 000</u>	<u>100 000</u>	<u>-</u>

28. RESERVE CAPITAL

	As at 30/06/2015	As at 31/12/2014	As at 30/06/2014
	PLN'000	PLN'000	PLN'000
General reserves	51 329	41 451	41 451
Other	<u>-</u>	<u>-</u>	<u>-</u>
	<u>51 329</u>	<u>41 451</u>	<u>41 451</u>

28.1. General reserves

	Period ended 30/06/2015	Period ended 30/06/2014
	PLN'000	PLN'000
At beginning of accounting year	41 451	33 221
Change (gains from previous financial year)	<u>9 878</u>	<u>8 230</u>
At end of financial year	<u>51 329</u>	<u>41 451</u>

28.2. Revaluation reserve related to tangible fixed assets

None.

28.3. Investment revaluation reserve

None.

29. RETAINED EARNINGS AND DIVIDEND

	As at 30/06/2015	As at 31/12/2014	As at 30/06/2014
	PLN'000	PLN'000	PLN'000
Retained earnings	<u>4 298</u>	<u>9 877</u>	<u>4 247</u>

	Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
	PLN'000	PLN'000
At beginning of accounting year	-	-
Net profit attributable to members	4 298	4 247
Other	-	-
At end of financial year	4 298	4 247

30. LOANS PAYABLE

	As at <u>30/06/2015</u>	As at <u>31/12/2014</u>	As at <u>30/06/2014</u>
	PLN'000	PLN'000	PLN'000
Secured – at amortized cost			
Bank credit	3 000	3 000	1 515
From other entities	-	-	-
Bonds	48 428	58 507	57 591
Other	-	-	-
	51 428	61 507	59 106
	51 428	61 507	59 106
Current liabilities	13 619	34 554	32 348
Non-current liabilities	37 809	26 953	26 758
	51 428	61 507	59 106

31. OTHER FINANCIAL LIABILITIES

	As at <u>30/06/2015</u>	As at <u>31/12/2014</u>	As at <u>30/06/2014</u>
	PLN'000	PLN'000	PLN'000
Other liabilities: contingent payment (under a lease)	881	1 093	1 202
	881	1 093	1 202
Current liabilities	299	377	291
Non-current liabilities	582	716	911
	881	1 093	1 202

31.1. General leasing terms and conditions

Minimum lease payments		Present value of minimum lease payments	
As at <u>30/06/2015</u>	As at <u>30/06/2014</u>	As at <u>30/06/2015</u>	As at <u>30/06/2014</u>
PLN'000	PLN'000	PLN'000	PLN'000

Below 12 months	299	291	-	-
From 1 to 5 years	582	911	-	-
Above 5 years	-	-	-	-
	<u>881</u>	<u>1 202</u>	<u>-</u>	<u>-</u>
Minus future finance charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payments	<u>881</u>	<u>1 202</u>	<u>-</u>	<u>-</u>

As at <u>30/06/2015</u>	As at <u>31/12/2014</u>	As at <u>30/06/2014</u>
PLN'000	PLN'000	PLN'000

Disclosed in financial statements as:

Other current financial liabilities	299	396	291
Other non-current financial liabilities	<u>582</u>	<u>771</u>	<u>911</u>
	<u>881</u>	<u>1 167</u>	<u>1 202</u>

32. PROVISIONS

	As at <u>30/06/2015</u>	As at <u>31/12/2014</u>	As at <u>30/06/2014</u>
	PLN'000	PLN'000	PLN'000
Employee benefits (holidays, bonuses)	174	66	80
Provision for incurred but unsupported expenses (no invoice, no accounting documents)	321	176	226
Audit of financial statements	-	32	-
Other (accrued operating expenses)	<u>-</u>	<u>-</u>	<u>-</u>
	<u>495</u>	<u>274</u>	<u>306</u>
Short-term provisions	495	274	306
Long-term provisions	<u>-</u>	<u>-</u>	<u>-</u>
	<u>495</u>	<u>274</u>	<u>306</u>

33. OTHER LIABILITIES

	As at <u>30/06/2015</u>	As at <u>31/12/2014</u>	As at <u>30/06/2014</u>
	PLN'000	PLN'000	PLN'000
Payroll payable	247	243	244
Budgetary liabilities other than corporate income tax	607	424	428

Bills of exchange payable	6 081	-	-
Deposits and other settlements	716	457	101
	7 651	1 124	773
Current liabilities	7 651	1 124	773
Non-current liabilities	-	-	-
	7 651	1 124	773

34. TRADE AND OTHER PAYABLES

	As at 30/06/2015	As at 31/12/2014	As at 30/06/2014
	PLN'000	PLN'000	PLN'000
Trade payables	2 256	1 599	1 337
Other	-	-	-
	2 256	1 599	1 337

35. DEFERRED INCOME

	As at 30/06/2015	As at 31/12/2014	As at 30/06/2014
	PLN'000	PLN'000	PLN'000
Receivables	183 970	182 471	179 371
Subsidies	9	11	-
Premiums on bonds issues	7	9	4
	183 986	182 491	179 375
Short-term	20 963	20 593	22 459
Long-term	163 023	161 898	156 916
	183 986	182 491	179 375

36. RELATED PARTY TRANSACTIONS

There were none in the reporting period.

37. CASH AND CASH EQUIVALENTS

	As at 30/06/2015	As at 31/12/2014	As at 30/06/2014
	PLN'000	PLN'000	PLN'000
Cash in hand and at bank	7 378	3 220	5 247
	7 378	3 220	5 247
	7 378	3 220	5 247

CAPITAL MANAGEMENT

	Period ended 30/06/2015	Period ended 30/06/2014
	PLN'000	PLN'000
Interest-bearing lines of credit, loans and other financial liabilities	52 309	60 308
Trade and other payables	10 742	2 327
less cash and cash equivalents	(7 378)	(5 247)
Net borrowing	55 673	57 388
Equity	56 627	46 698
Equity and net borrowing	112 300	104 086
Leverage ratio	0,98	1,23

Wrocław, 17 August 2015

Jacek Longin Daroszewski
President of the Management Board

Jacek Zbigniew Krzemiński
Deputy President of the Management Board

Directors' Report

1. SIGNIFICANT EVENTS AFFECTING THE COMPANY'S OPERATIONS THAT OCCURRED DURING THE FINANCIAL YEAR AND SUBSEQUENTLY, UNTIL THE DATE OF AUTHORISATION OF THE FINANCIAL STATEMENTS

In the first half of 2015 the Issuer pursued its business in accordance with the adopted strategy including:

- participation in tendering procedures for the sale of debt portfolios held by financial institutions,
- submission of bids for the purchase of debt portfolios,
- recovery of the debts on its own account,
- operation of Fast Finance Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty (NSFIZ).
The Issuer is the sole shareholder of Fast Finance NSFIZ.

On 5 March 2015, in connection with the issue of series J bonds, the Issuer established a registered pledge for the benefit of the pledge Administrator – a law firm serving the bondholders. The registered pledge was created on a pool of receivables held by the Issuer in connection with defaulted credits or loans, purchased from commercial banks. The value of the receivables pool was estimated at PLN 75m. The registered pledge as a form of security will be in force until the performance under series J bonds has been made.

On 19 March 2015 the Issuer concluded with Bank Polskiej Spółdzielczości S.A. with its registered office in Warsaw and with Mr Jacek Daroszewski (shareholder and member of the Issuer's Management Board) an investment agreement under which the Issuer and Mr Jacek Daroszewski undertake to successively repurchase from Bank Polskiej Spółdzielczości 8,613 series J bonds acquired by the Bank as part of the issue of series J bonds. The condition precedent to the coming into force of the above-mentioned agreement is the coming into effect of the issue of series J bonds and the redemption of series D bonds by 23 March 2015. Both these conditions had been fulfilled, which was communicated by the Issuer in its current reports Nos. 6/2015 and 8/2015 of 20 March 2015 and 24 March 2015 respectively. Repurchase from the Bank of 8,613 series J bonds with a total nominal value of PLN 8,613,000 will be made by Fast Finance S.A. or by an entity indicated by the Issuer by 31 January 2016. The above bonds repurchase agreement is secured by a guarantee offered by Mr Jacek Daroszewski and if the obligations are not performed, the Issuer shall pay the Bank liquidated damages of PLN 10m. The provision for the above liquidated damages is without prejudice to the Bank's right to seek damages exceeding the amount of liquidated damages in accordance with the general provisions of the law. In accordance with the terms and conditions of the issue and in accordance with the above agreement, series J bonds will be redeemed at nominal value plus the accrued interest indicated in the terms and conditions of the issue calculated taking into account the early redemption date and the number of bonds subject to redemption. The remaining provisions of the agreement do not differ from the provisions used in similar agreements.

On 19 March 2015 the Issuer concluded with (i) Quantum 1 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych and (ii) Quantum 2 Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych and (iii) BPS Fundusz Inwestycyjny Otwarty and (iv) BPS Specjalistyczny Fundusz Inwestycyjny Otwarty and (v) Contango Fundusz Inwestycyjny Zamknięty and (vi) Agro-Handlowiec Szymański spółka z ograniczoną odpowiedzialnością nr 3 spółka komandytowo-akcyjna with its registered office in Warsaw ("Bondholders") and with Jacek Longin Daroszewski an investment agreement under which the Issuer and Jacek Daroszewski are obligated to redeem from the Bondholders 7,326 series J bonds acquired as part of the issue of series J bonds. The condition precedent to the coming into force of the above-mentioned agreement was the coming into effect of the issue of series J bonds and the redemption of series D bonds by 23 March 2015. Both these conditions had been fulfilled, which was communicated by the Issuer in its current reports Nos. 6/2015 and 8/2015 of 20 March 2015 and 24 March 2015 respectively. Redemption from the Bondholders of 7,326 series J bonds with a total nominal value of PLN 7,326,000 shall be made by Fast Finance S.A. or by an entity indicated by the Issuer by 30

December 2015. The above bond repurchase agreement is secured by a guarantee offered by Mr Jacek Daroszewski. In accordance with the terms and conditions of the issue and in accordance with the investment agreement, series J bonds will be redeemed at nominal value plus the accrued interest indicated in the terms and conditions of the issue calculated based on the date of the maturity date and on the number of bonds subject to redemption. The remaining provisions of the agreement do not differ from the provisions used in similar agreements. The agreement in question does not provide for liquidated damages.

On 20 March 2015 the Issuer issued series J bonds with a nominal value of PLN 1,000 each with a total nominal value of PLN 24.8m. The maturity date of series J bonds is 31 December 2016. They have a floating interest rate based on WIBOR6M plus a margin of 7.5% per annum. Interest is payable in semiannual interest periods. The performance under series J bonds is of monetary nature. The purpose of the bonds issue was to refinance the monetary obligations under the issue of series D bonds and to raise funds for the operating activity relating to purchasing debt portfolios on the Issuer's own account or via Fast Finance NS FIZ, as well as for their servicing and management. The issue of series J bonds is secured by a registered pledge of PLN 75m and by the Issuer's submission to enforcement up to PLN 45m in accordance with Article 777 of the Code of Civil Procedure.

The issue of series J bonds made it possible to refinance a part of payments under the series D bonds which were fully redeemed, in accordance with the maturity date set in the terms and conditions of the issue of series D bonds at 23 March 2015.

On 23 March 2015, before the maturity of series E bonds set for 16 January 2016, the Issuer purchased for the purpose of redemption 3,100 series E bonds with a nominal value of PLN 1,000 each with a total nominal value of PLN 3.1m.

On 25 June 2015 the Issuer's Annual General Meeting was held which, among other things, passed a resolution to apply the entire net profit for 2014 to the Issuer's reserve capital, acknowledged the fulfilment of duties by members of the Issuer's Management Board and Supervisory Board and introduced changes to the Issuer's Supervisory Board - Ms Dorota Wiktoria Stempniak replaced Mr Zbigniew Strzałkowski as Member of the Supervisory Board.

In the first six months of 2015 the Issuer purchased for redemption a total of 5,909 bonds with a total nominal value of PLN 5.9m.

On 5 August 2015, following the end of the six-month reporting period, the Issuer's Extraordinary General Meeting passed a resolution to amend the Company's Articles of Association and to authorise the Company's Management Board to increase the Company's share capital within the limits of authorised capital by no more than PLN 250,000. The shares issued in connection with the share capital increase within the limits of the authorised capital pursuant to the authorisation granted to the Management Board in the Articles of Association will be the subject of the application for admission to trading on the regulated market of the Warsaw Stock Exchange.

2. EXPECTED DEVELOPMENT OF THE ENTITY

Products and Market

The Issuer plans to continue the pursuit of its business model based on purchasing of debt portfolios and their collection on its own account. Upon purchasing the debt portfolios in a receivables transfer agreement, the Issuer becomes the owner of the debts and acquires the right to pursue claims against the debtors. As the owner of the debts, the Issuer takes efforts to collect them on its own account.

The Issuer specialises in purchasing portfolios of consumer debts that are fragmented and not time-barred as well as in the recovery of the purchased debts on its own account. Consumer debts arise most often in connection with retail bank loans for the purchase of household equipment or for other purposes. Consumer debts also include amounts owed to telecommunication services providers, cable TV operators and other service providers and typically have low debt balances (the average debt balance does not exceed PLN 6,000).

Another important direction of the Issuer's development is the increase in management services with respect to its own securitization fund (Fast Finance NS FIZ) for which the Issuer provides debt collection services.

Recently, one may observe a renewed interest in consumer loans, which makes the Issuer expect an increase in the number of non-performing loans offered for sale at tenders held by financial institutions.

Financing

Among the key factors taken into account by the Issuer while investing in new debt portfolios is the possibility of obtaining financing for the next debt packages. Because of its involvement in the redemption of bonds in accordance with the investment contracts concluded, the Issuer has limited its spending on new debt portfolios.

Infrastructure

The Issuer maintains a stable number of specialists ensuring effective debt collection. The Issuer's office space and IT infrastructure are optimal for the purposes of its operating activity.

3. REASERCH AND DEVELOPMENT ACHIEVEMENTS

The Issuer is not involved in any R&D activity.

4. PURCHASE OF OWN SHARES

The Issuer did not purchase its own shares.

5. BRANCH OFFICES

Fast Finance S.A. has the following branches:

Branch name: Fast Finance S.A. Kraków Branch
Registered address: Poland, małopolskie province
Address: ul. Gabrieli Zapolskiej 36, 30-126 Kraków

Branch name: Fast Finance S.A. Poznań Branch
Registered office: Poland, wielkopolskie province
Address: ul. Głuszyna 125, 61-329 Poznań

6. SIGNIFICANT RISK FACTORS/THREATS AND THE DEGREE OF THE ISSUER'S EXPOSURE

Risk of a downturn in the macroeconomic and industry environment

The industry in which the Issuer operates depends on the macroeconomic situation. A deterioration in the economy may negatively affect the financial position of the Issuer's creditors and may damage the currently observed consumer optimism. The above may lead to decreased lending and consequently to a smaller demand for the Company's services, longer debt recovery periods and may translate into poorer performance of the Issuer.

However, at present, the risk of a downturn in the sector is low and the development outlook is good because of such factors as, for example, the development of the consumer finance market and the positive economic situation fuelling consumer optimism.

Competitive risk

There are many companies in the market involved in a business similar to the Issuer's business. One can name a few direct competitors. Additionally, there are many smaller entities whose business is similar to the Issuer's. Also, owing to the size of the market and its growth prospects it is possible that new competitors will appear, which may negatively affect the Issuer's performance.

However, the Issuer's market largely relies on the trust the sellers of receivables place in their buyers. Over the past years, the Issuer's compliance with good market practice and with ethical norms has earned it the trust of other market participants. In its debt collection process, the Issuer uses an individual approach to the debtors,

which manifests itself in adjusting the collection efforts to the individual situation of each of them and in agreeing an affordable repayment plan.

Risk of a drop in statutory interest rates

The amount of statutory interest is significant for this part of the Issuer's revenues which concerns the right to demand from debtors the payment of default interest based on statutory rates. Over the past years, these rates have not been changed significantly, despite a very low inflation. Because statutory interest rates should be set above the interest rates of bank loans available on the market, no major statutory interest rate reductions are expected in the future.

Risk of improper functioning of law enforcement agencies and enforcements by court enforcement officers

A part of the Issuer's business involves the use of litigation. The Issuer's performance is affected by factors such as delays and lengthiness in decision-making and in activities of law enforcement agencies and of court enforcement officers. The Issuer's business is also affected by the legislation and fees relating to legal collection, where major changes in legislation and fees could have a significant impact on the Issuer's performance.

It should be pointed out however that the cases brought by the Issuer to the court are decided in two types of summary proceedings called *postępowanie nakazowe* (proceedings by writ of payment based on documentary evidence) and *postępowanie upominawcze* (similar proceedings for smaller claims based on the claimant's statement), and the time it takes for a case to be ruled on is 3 months at a maximum. The amount of court fees has a temporary influence on the Issuer's performance because the fees incurred in the course of judicial proceedings increase the amounts due from the debtors.

Risk of interpretation of legislation on distressed debt trading

Like its peers, the Issuer is exposed to the negative influence of frequent amendments of tax regulations and of a multitude of interpretations of legislation. In order to prevent possible doubts and uncertainties in the interpretation of tax regulations, the Issuer has been using the services of a professional tax advisory firm. Under the EU law, value added tax may not be determined in violation of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347).

Tax policy risk

The Polish tax system is characterised by frequent changes of regulations. Additionally, many of the regulations are not sufficiently precise, which leads to interpretation problems. Interpretations of tax regulations are subject to frequent changes. Additionally, the practice of tax authorities and the judicial decisions regarding tax issues are not coherent. Because of the divergent interpretations of tax regulations, Polish entities incur a risk that their operations and their tax accounting may be later questioned by the tax authorities. For companies operating under more stable tax systems, the above risk is smaller.

Like its peers, the Issuer is exposed to the negative influence of frequent amendments of tax regulations and of a multitude of interpretations of legislation. In order to prevent possible doubts and uncertainties in the interpretation of tax regulations, the Issuer has been using the services of a professional tax advisory firm.

Consumer bankruptcy risk

The Issuer identifies the risk of consumer bankruptcy in respect of individuals who are not sole proprietors whose bankruptcy arose as a result of circumstances which were of extraordinary nature and for which the said individuals were not responsible. In the event of declaration of consumer bankruptcy by individuals whose debts are under collection by the Issuer, the ultimate amount of recovery under bankruptcy proceedings may be lower than if collected by the Issuer.

Currently, taking into account the average amounts owed by the Issuer's debtors, the risk of declaration of consumer bankruptcy with respect to such debtors is identified as marginal.

Risk of insolvency of a major debtor

The Issuer's performance partly depends on the solvency of individual debtors. In order to mitigate the risk associated with the insolvency of individual debtors, the Issuer purchases debts that are very diversified in terms of the debtors' age, income and assets. However, insolvency of a large number of debtors cannot be ruled out completely and such insolvency could negatively affect the Issuer's situation, including in particular its financial position and performance.

Risk of loss of key personnel

In providing its services, the Issuer relies on the knowledge, skills and experience of its employees. However, key role is played at the Issuer's company by members of its management board who are strategic decision-makers. The loss of a member of the management board without a previous obtaining of a replacement may have a temporary negative effect on the Issuer's business and performance.

Debt financing risk

The Issuer has used and intends to use in the future external financing in the form of loans, credit lines and corporate bond issues. New debt purchases are most often financed by outside capital. The Issuer's failure to raise sufficient outside financing may affect its further growth including in particular the size of the debt portfolios held. In order to mitigate the above risk the Issuer makes efforts to diversify the type, cost and sources of outside capital. In the Issuer's opinion, as at the reporting date and taking into account bond maturities, there is no risk of the Issuer's inability to pay its obligations.

Investment contract risk

The Issuer has concluded investment contracts with investors (hitherto holders of series D bonds) under which it is obliged to make gradual redemptions of series J bonds. The Issuer may redeem the bonds directly or through a third party. The Issuer's default under an investment contract may result in contractual damages. In the Issuer's opinion, its performance under the above contracts may be jeopardised if the Issuer's liquidity position deteriorates significantly as a result of extraordinary circumstances.

Risk of adopting a wrong strategy

The Company's operational effectiveness depends on its ability to define and implement a strategy that is effective and that brings long-term financial benefits. Possible taking of incorrect decisions resulting from inadequate assessments or the Company's inability to adjust to the dynamically changing market may lead to strong negative financial consequences.

In order to mitigate the above risk, the Company analyses on an ongoing basis all the factors with a bearing on the selection of a strategy so as to be able to define the direction and the type of changes in the market environment as precisely as possible.

Risk of delays in recovering the debts

There exists a risk that the Issuer will be conducting ineffective collection efforts for an extensive period of time. The above delay may concern in particular the debts pursued in court and by court enforcement officers. The delay depends on factors such as the amount of debt or the financial circumstances of the debtor.

The risk of delays in collecting the debts is not high, as so far the Issuer has been recovering the entire capital invested in debt purchases over approximately two years. Additionally, the above risk is limited by the fact that the consumer debts that are the Issuer's business are very safe by nature and offer the highest recovery rates.

Risk of lack of new debt portfolios

As a result of competitive activity or changes in the behaviour of debt sellers the Issuer may face difficulties in acquiring new debt portfolios. In the current economic situation, purchases of new debt portfolios may be hindered by limited access to capital. Acquisition by the Issuer of capital that is not subsequently invested in debt purchases may lead to a risk of incurring the cost of capital without deriving the relevant benefits. The above scenario would pose a significant threat in the event of a long term lack of new debt purchases. Currently, even in the case of a short break in new debt purchases, revenues and profits are expected to grow, driven by the debt portfolios acquired in the previous years. However, in the longer term the Issuer's growth may be hindered if new debt purchases are not made regularly.

Risk of dominant two main shareholders

The existing main shareholders are not interested in selling their shares. However, the Issuer may not predict the supply of shares from the existing shareholders in the future. A sale of a major block of shares on the regulated market may negatively affect the share price on the secondary market. The risk of supply of shares from the existing shareholders is mitigated by the nature of series A shares which are registered shares with preference voting rights and are not admitted to trading on the regulated market of the Warsaw Stock Exchange. As regards corporate rights, there exists a risk associated with the fact that the same persons

manage the Company and are its majority shareholders. Therefore, purchasers of shares on the secondary market must take into account the possibility of their minimal influence on the Company's operating activity. Minority shareholders are protected by law and by the market supervisory body (The Polish Financial Supervisory Authority, KNF).

7. DESCRIPTION OF THE ISSUER'S GROUP INCLUDING ENTITIES SUBJECT TO CONSOLIDATION AND CHANGES IN THE ORGANISATION OF THE ISSUER'S COMPANY WITH REASONS FOR SUCH CHANGES

As at the date of this directors' report, the Issuer does not form part of a group and is not a parent company.

8. EFFECTS OF CHANGES IN THE STRUCTURE OF THE BUSINESS ENTITY, INCLUDING CHANGES RESULTING FROM MERGERS, ACQUISITIONS OR SALE OF GROUP ENTITIES, LONG-TERM INVESTMENTS, DIVISION, REORGANISATION AND DISCONTINUATION OF BUSINESS

There were no such changes in the first half of 2015.

9. MANAGEMENT BOARD'S POSITION ON THE FEASIBILITY OF MEETING FORECASTS PUBLISHED FOR A GIVEN YEAR IN LIGHT OF THE RESULTS PRESENTED IN THE QUARTERLY REPORT

The Issuer did not publish any 2015 profit guidance.

10. SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, 5% OR MORE OF TOTAL VOTING RIGHTS AT THE GENERAL MEETING OF THE ISSUER AS AT THE REPORT ISSUE DATE

Shareholder	Number of shares	Share in the share capital	Number of votes at the GM	Share in total vote at the GM	Change
Jacek Longin Daroszewski	10.633 808	42,53 %	16.258.058	44,85 %	none
Jacek Zbigniew Krzemiński	10.625 250	42,50 %	16.250.250	44,82 %	none

11. MEMBERS OF MANAGEMENT OR SUPERVISORY BODIES HOLDING THE ISSUER'S SHARES OR OPTIONS FOR THE ISSUER'S SHARES AS AT THE DATE OF ISSUE OF THIS INTERIM REPORT

Shareholder	Number of shares	Share in the share capital	Number of votes at the GM	Share in total vote at the GM	Change
Jacek Longin Daroszewski President of the Management Board	10.633.808	42,53 %	16.258.058	44,85 %	none
Jacek Zbigniew Krzemiński Deputy President of the Management Board	10.625.250	42,50 %	16.250.250	44,82 %	none
Marek Ochota Member of the Supervisory Board	3.000	0,01 %	3.000	0.01 %	none

12. PROCEEDINGS PENDING BEFORE COURTS, ARBITRATION BODIES OR CENTRAL ADMINISTRATION AUTHORITIES, INCLUDING INFORMATION ABOUT:

- a) proceedings with regard to liabilities or receivables of the Issuer or its subsidiary whose value constitutes at least 10% of the Issuer's equity, including: subject of the proceedings, value in dispute, date of initiation of the proceedings, parties to the proceedings pending and the entity's position.

There are no proceedings pending before a court of law, arbitration tribunal or public administration body relating to the Issuer's liabilities or receivables whose value is at least 10% of the Issuer's equity.

- b) two or more proceedings relating to liabilities or receivables whose total value is respectively at least 10% of the Issuer's equity, including the total value of proceedings separately for liabilities and receivables together with the Issuer's position on the issue and, with respect to the largest proceedings in the group of liabilities and receivables - their subject, value in dispute, date of initiation of the proceedings and parties to the proceedings.

There are no proceedings pending before a court of law, arbitration tribunal or public administration body relating to the Issuer's liabilities or receivables whose value is at least 10% of the Issuer's equity.

- c) proceedings with the highest value in dispute, not exceeding 10% of the Issuer's equity, relating to the Company's liabilities

There are no proceedings with the highest value in dispute pending before a court of law, arbitration tribunal or public administration body whose value is at least 10% of the Issuer's equity.

- d) Proceedings with the highest value in dispute, not exceeding 10% of the Issuer's equity, relating to the Company's receivables

There are currently no proceedings pending before a court of law in connection with the Company's receivables whose value is at least 10% of the Issuer's equity.

13 INFORMATION ABOUT THE CONCLUSION BY THE ISSUER OR ITS SUBSIDIARY OF ONE OR MANY TRANSACTIONS WITH RELATED PARTIES IF SUCH TRANSACTIONS ARE INDIVIDUALLY OR JOINTLY SIGNIFICANT AND WERE NOT CONCLUDED ON AN ARM'S LENGTH BASIS

In the first half of 2015 there were no such transactions.

14 INFORMATION ABOUT EXTENDING BY THE ISSUER OR THE ISSUER'S SUBSIDIARY OF SURETY FOR A LOAN OR CREDIT FACILITY OR EXTENDING A GUARANTEE - IN TOTAL TO A SINGLE ENTITY OR ITS SUBSIDIARY IF THE AGGREGATE VALUE OF EXISTING SURETIES OR GUARANTEES IS AN EQUIVALENT OF AT LEAST 10% OF THE ISSUER'S EQUITY

In the first half of 2015 the Issuer did not extend any sureties for a credit facility, loan or guarantees, whose aggregate value would be at least 10% of the Issuer's equity.

15 OTHER INFORMATION WHICH, IN THE OPINION OF THE ISSUER, IS SIGNIFICANT FOR THE EVALUATION OF ITS PERSONNEL, ASSETS, FINANCIAL POSITION, FINANCIAL RESULTS AND THEIR CHANGES AND INFORMATION SIGNIFICANT FOR THE EVALUATION OF THE ISSUER'S ABILITY TO PERFORM ITS OBLIGATIONS

Financial position

As regards the Issuer's financial results for the first half of 2015 (as compared with H1 2014), the Issuer reported: (i) a 2% drop in debt recoveries, (ii) 103% increase in other operating revenue - as a result of higher recoveries of stamp duty and an increase in the value of the NSFIZ management service, (iii) 3.7% increase in finance income. Stable inflows of payments from debtors under the purchased debts constitute the biggest share of the Issuer's total revenues.

	Period ended <u>30/06/2015</u>	Period ended <u>30/06/2014</u>
	PLN'000	PLN'000
Revenues from receivables transfer agreements	13 950	14 237
Other operating revenue	1 069	526
Finance income	2 005	1 933
Total revenue	17 024	16 696

In the reporting period, the Issuer's operating profit reached PLN 6.6m, down by 0.2% on the corresponding period last year.

At the end of H1 2015 the Issuer increased its pre-tax operating profit by PLN 84,000, up by 1.6% on the first half of 2014 and closed the first six months of 2015 with a net profit of PLN 4.298m, 1.2% more than the PLN 4.247m reported at the end of H1 2014.

In the reporting period at the end of H1 2015 the Issuer reported the following financial ratios:

Ratio	Period ended 30/06/2015	Period ended 30/06/2014	Formula
Operating return on assets (%)	1,4	1,4	net profit / average annual total assets
Return on equity (%)	7,9	8,6	net profit / average annual total equity
Net profitability (%)	30,8	29,8	net profit / net revenue from sales of products, trade goods and materials
Gross profitability (%)	38,2	36,9	pretax profit or loss / net revenue from sales of products, trade goods and materials
EBIT margin (%)	47,4	46,5	operating profit (loss) / net revenue from sales of products, trade goods and materials
Return on sales (%)	87,5	89,5	profit (loss) from sales of products, trade goods and materials/ net revenue from sales of products, trade goods and materials
Economic profitability of sales (%)	45,4	46,8	(operating profit (loss) + depreciation) / (net revenue from sales of products, trade goods and materials + other operating revenue)
Cash ratio	6,25	4,87	total current assets / current liabilities
Quick ratio	5,07	3,92	(total current assets - inventories - short-term prepayments and accruals) / current liabilities
Current ratio	0,07	0,09	short-term investments /

			current liabilities
Days sales outstanding	4853	4686	(average annual trade receivables X 365) / net revenue from sales of products, trade goods and materials
Days payables outstanding	50	38	(average annual trade payables x 365) / net revenue from sales of products, trade goods and materials
Days sales of inventory	0	0	(average annual inventory x 365) / net revenue from sales of products, trade goods and materials
Equity and long-term provisions to fixed assets	3,1	3,0	(equity + long-term provisions) / fixed assets
Sustainability of financing	0,8	0,8	(equity + long-term provisions + non-current liabilities) / total assets

All profitability ratios are positive and in the case of profitability ratios calculated on the basis of operating activity and net profit, the Issuer reported higher values than those achieved at the end of the first six months of 2014.

At the end of H1 2015 the Issuer's balance sheet total exceeded PLN 306m and was 1.2% higher than the balance sheet total at the end of 2014 (PLN 303m) and 5.6% higher than at the end of the first half of 2014 (PLN 290m).

The Issuer's assets structure is as follows:

	As at 30/06/2015 PLN'000	Share in balance sheet total %	As at 30/06/2014 PLN'000	Share in balance sheet total %
ASSETS				
Fixed assets				
Tangible fixed assets	1 075	0,35%	1 536	0,53%
Investment properties	-	0,00%	-	0,00%
Goodwill	-	0,00%	-	0,00%
Other intangible assets	-	0,00%	-	0,00%
Investments in associates	-	0,00%	-	0,00%
Deferred tax assets	481	0,16%	276	0,10%
Finance lease receivables	-	0,00%	-	0,00%
Other financial assets	16 066	5,25%	9 302	3,21%
Other assets	366	0,12%	457	0,16%
Total fixed assets	17 988	5,87%	11 571	3,99%
Current assets				
Inventories	4	0,00%	-	0,00%
Trade and other receivables receivables	186 388	60,87%	181 020	62,42%
Finance lease receivables	-	0,00%	-	0,00%
Other financial assets	39 990	13,06%	34 968	12,06%
Current tax assets	-	0,00%	-	0,00%

Other assets	54 454	17,78%	57 213	19,73%
Cash and cash equivalents	7 378	2,41%	5 247	1,81%
	288 214	94,13%	278 448	96,01%
Assets classified as held for				
sale	-	0,00%	-	0,00%
Total current assets	288 214	94,13%	278 448	96,01%
Total assets	306 202	100,00%	290 019	100,00%

At 94%, current assets account for the lion's share in the Issuer's balance sheet. The largest share of current assets (83.7%) is represented by trade receivables together with prepayments (in other assets) in which the Issuer recognises the value of payments due from debtors. An important item of assets are loans extended by the Issuer to third parties; their value went down by 2.7% (from PLN 42.8m at the end of 2014 to PLN 41.6m at the end of H1 2015). The value of current assets went up by 1.2% as against the end of 2014 and reached PLN 288m.

A significant share of the Issuer's fixed assets, comprising less than 6% of its balance sheet total, is made up of other financial assets identified as certificates held by the Issuer in its own securitization fund. At the end of H1 2015 the value of fixed assets reached close to PLN 18m and has changed slightly (by 1.8%) since the end of 2014.

On the liabilities side of the balance sheet, as at the end of H1 2015, the largest item was deferred income – as non-current and current liabilities (in aggregate comprising 60% of the balance sheet total).

The details of Issuer's liabilities and shareholders' equity are presented below:

	As at 30/06/2015 PLN'000	Share in balance sheet total %	As at 30/06/2014 PLN'000	Share in balance sheet total %
LIABILITIES AND SHAREHOLDERS' EQUITY				
Equity				
Share capital	1 000	0,33%	1 000	0,34%
Share premium	-	0,00%	-	0,00%
Reserve capital	51 329	16,76%	41 451	14,29%
Retained earnings	4 298	1,40%	4 247	1,46%
Items recognised directly in equity, connected with				
assets classified as held for sale	-	0,00%	-	0,00%
Equity attributable to owners of the parent	-	0,00%	-	0,00%
Equity attributable to the noncontrolling interest	-	0,00%	-	0,00%
Total shareholders' equity	56 627	18,49%	46 698	16,10%
Non-current liabilities				
Long-term loans	37 809	12,35%	26 758	9,23%
Other financial liabilities	582	0,19%	911	0,31%
Pension liabilities	-	0,00%	-	0,00%
Deferred tax provision	2 043	0,67%	1 005	0,35%
Long-term provisions	-	0,00%	-	0,00%
Deferred income	163 023	53,24%	156 916	54,11%
Other liabilities	-	0,00%	-	0,00%
Total non-current liabilities	203 457	66,45%	185 590	63,99%
Current liabilities				
Trade payables and other liabilities	2 256	0,74%	1 337	0,46%
Short-term loans	13 619	4,45%	32 348	11,15%

Other financial liabilities	299	0,10%	291	0,10%
Current tax liabilities	835	0,27%	217	0,07%
Short-term provisions	495	0,16%	306	0,11%
Deferred income	20 963	6,85%	22 459	7,74%
Other liabilities	7 651	2,50%	773	0,27%
Liabilities relating directly to fixed assets classified as held for sale	-	0,00%	-	0,00%
Total current liabilities	46 118	15,06%	57 731	19,91%
Total liabilities	249 575	81,51%	243 321	83,90%
Total equity and liabilities	306 202	100,00%	290 019	100,00%

The end of the first half of 2015 witnessed a change in the structure of financial liabilities. In connection with the redemption in March 2015 of bonds with a total value in excess of PLN 33m (redemption of series D bonds and partial redemption of series E bonds) and with the issue of series J bonds, current liabilities dropped by 21% (from PLN 58m at the end of 2014 to PLN 46m at the end of H1 2015) and non-current liabilities went up by 6% (from PLN 186m at the end of 2014 to PLN 203m at the end of H1 2015).

The remaining liabilities items include: (i) equity constituting 18.5% and (ii) financial liabilities (lines of credit, bonds, leases, promissory notes) and other with a share of 22% as at the end of H1 2015.

Shareholders' equity is composed mainly of reserve capital (91%), the Issuer's retained profit (8%) and share capital (1%). Reserve capital is created mainly from previous years' profits.

In the first half of 2015 the Issuer's cash flows were higher, with the total balance sheet change in cash and cash equivalents reaching PLN 4.2m and the closing balance of cash and cash equivalents at PLN 7.3m.

At the end of H1 2015, the value of cash flows from operating activities was positive and reached PLN 8.2m, in comparison to PLN 8.9m at the end of the first six months of 2014. The change in operating cash flows was chiefly a result of an increase in net profit that reached PLN 4.2m.

Cash flows from investing activities were positive (PLN 3.3m) and were a result of payment of a part of interest under the loans extended by the Issuer.

Cash flows from financing activities were negative and stood at the end of H1 2015 at (PLN 7.3m), on PLN 0.6m at the end of H1 2014. Cash flows on the liabilities side were related to the payments under bonds and to payments of other liabilities.

The most important factors with a positive impact on the Issuer's financial performance were inflows from debt portfolios, composed of the debtors' payments and management of the Issuer's own securitization fund.

In the opinion of the Management Board, among factors of future high significance for further improvement of the Issuer's financial performance will be revenues from the debt portfolios held, the Issuer's continued ability to finance its debt purchases directly or via the Issuer's own securitization fund and to service the debt under the bonds issued, as well as fulfilment of the terms of the investment agreements concluded with the investors.

Assets position

The Issuer's leases office space that meets the standards required for its type of business as regards the operation of the call center and as regards the security of the documentation containing debtor details. The Issuer leases office space located at Wołowska street in Wrocław with an area of up to 772 m².

The Issuer operates computer and telecommunications equipment used in its daily business.

Staffing levels

As at the end of the first half of 2015, the Issuer employed 61 people (including 2 members of the management board).

Debt market

Over the past couple of years, the value of delinquent payments has been systematically growing. According to the InfoDług report prepared by Biuro Informacji Gospodarczej InfoMonitor S.A., at the end of December 2014, the total amount of delinquent accounts of high-risk customers in Poland reached PLN 40.94bn. Over the period of the last 12 (twelve) months, the amount of debt went up by PLN 1.1bn, up by 2.76% on December 2013. Since 2014 banks have been reporting a slow but consistent increase in lending caused, among other factors, by considerable interest rate reductions over the past two years and by the return of consumers to financing their purchases with bank loans.

The Issuer monitors the situation on the Polish debt market on an ongoing basis and adjusts its strategy accordingly, among others as regards its participation in bidding processes called by financial and other institutions, analysis of the debt portfolios and taking possible purchase decisions.

In the opinion of the Issuer's Management Board, considering the increased level of debt and number of debtors, the growth of the debt market is likely to be maintained in the second half of 2015. The Issuer expects further growth in the number of debt portfolios put up for sale by banks, an increase in the volume of mortgage debts and new debts offered for sale by lenders. Therefore, in the opinion of the Management Board, a further increase in the total volume of debt portfolios under collection can be expected.

Information about the debt portfolios

The Issuer specialises in purchasing consumer debts with an average value not exceeding PLN 6,000, purchased in pools prepared by the selling institutions. As the portfolios comprise debts of a large number of individual debtors, the Issuer is not dependent on the solvency of any particular debtor.

Upon purchasing monetary receivables under a receivables transfer agreement, the Issuer then recovers the debts from the debtors by entering into settlement agreements including the agreed repayment plans. It then recognises the payments in the balance sheet as receivables and deferred income – so far presented in short- and long-term provisions. The measurement methods and principles have not been changed. The value of the amount receivable is determined on the basis of values included in the settlement agreements signed with the debtors (repayment schedules acknowledged by the debtors) and is presented as the amount payable (principal + interest).

Information about the Issuer's debt

As at 30 June 2015 the Issuer's current and non-current liabilities reached PLN 249.6m, of which close to 73.8% (PLN 184m) were liabilities classified by the Issuer as deferred income under revenues from the debt portfolios purchased.

The remaining debt includes financial debt (bond issues, loan and liabilities under promissory notes) of PLN 59.7m. The remaining part of current and non-current liabilities results from financial debt (PLN 60.3m) and statutory and trade liabilities (PLN 3.3m).

In the first half of 2015 the Issuer:

- redeemed D series bonds with a value of PLN 30m;
- purchased series E and series J bonds with a total value of PLN 5.9m for the purpose of redemption;
- issued series J bonds with a nominal value of PLN 1,000 each and with a total par value of PLN 24.8m with maturity on 31 December 2016. The interest rate on the bonds is variable and is based on WIBOR6M plus a margin of 7.5% p.a. Interest is payable in semiannual interest periods. The performance under series J

bonds is of monetary nature. The purpose of the bonds issue was to refinance the monetary obligations under the issue of series D bonds and to raise funds for operating activity relating to purchasing debt portfolios on the Issuer's own account or via Fast Finance NS FIZ, as well as for their servicing and management. The issue of series J bonds is secured by a registered pledge of PLN 75m and by the Issuer's submission to enforcement up to PLN 45m in accordance with Article 777 of the Code of Civil Procedure;

- issued series K1 bonds with a par value of PLN 1,000 each and with a total nominal value of PLN 1m with maturity on 29 April 2016. The interest offered on the bonds is fixed at 10% p.a. Interest is payable in three month interest periods. The performance under series K1 bonds is of monetary nature. The purpose of the issue of the bonds was to refinance financial liabilities and to secure financing of operating activity. The bonds will be secured by a mortgage;
- issued series K2 bonds with a par value of PLN 1,000 each and with a total nominal value of PLN 0.42 with maturity on 31 May 2016. The interest offered on the bonds is fixed at 10% p.a. Interest is payable in three month interest periods. The performance under series K2 bonds is of monetary nature. The purpose of the issue of the bonds was to refinance financial liabilities and to secure financing of operating activity. The bonds will be secured by a mortgage.

In the first half of 2015 the Issuer incurred current liabilities under promissory notes for current payments relating to operating activity. Financial liabilities were incurred in connection with the following promissory notes: (i) with a value of PLN 1m and (ii) with a value of PLN 5m. The interest on the promissory note has been set on an arm's length basis. Its liabilities under promissory notes issued are classified by the Issuer in current liabilities under loans and lines of credit.

The Issuer does not identify any threats to its ability to pay its liabilities.

Financial debt structure:

	As at 30 June 2015 PLN '000	Financial debt	As at 30 June 2015 PLN '000
Equity	56 627	Credit	3 011
Cash	7 378	Bonds	48 428
		Leases	881
		Promissory notes	6 081

Source: the Issuer

Values of the debt ratio

In accordance with the terms and conditions of the issue of series E, F, G, H, I, J and K bonds, the Issuer has a duty to keep:

- a financial ratio defined in the terms and conditions of bonds issue as net financial debt to equity at a level below 2.5.

	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013
Value of the financial ratio	0,90	1,08	1,13	1,29	1,18	1,37	1,33	1,40	1,51

Source: the Issuer

The value of the financial ratio (defined in the terms and conditions of the issue of the above-mentioned bonds) achieved by the Issuer at the end of H1 2015 dropped by 18 p.p. and reached 0.90x of the value at the end of Q1 2015.

16 FACTORS WITH A POTENTIAL BEARING ON THE ISSUER'S RESULTS IN THE NEXT QUARTER OR IN A LONGER TERM

As an entity operating in the financial services market, the Issuer is affected by changes in monetary and fiscal policy and by the general economic situation of Poland. Therefore, the following factors will have the biggest bearing on the Issuer's results in the next six months:

- General macroeconomic situation of Poland - the fluctuating economy affects the degree of the interest of households in consumer loans, instalment plans and mortgage loans,
- Amendments to the Polish law relating directly to the Issuer's business – among others, amendments to the bankruptcy and reorganisation law that introduced the provisions on consumer bankruptcy, planned elimination of the Bank Enforcement Title.
- Competitiveness within the sector – the Issuer's competitiveness relies mainly on its modern know-how, its personalised approach to each debtor, as well as on its very good relations with its counterparties.
- Future access to financing of new debt portfolio purchases.

Wrocław, 17 August 2015

Jacek Longin Daroszewski
President of the Management Board

Jacek Zbigniew Krzemiński
Deputy President of the Management Board

Management Board Statements

Wrocław, 18 August 2015

STATEMENT OF THE MANAGEMENT BOARD OF FAST FINANCE S.A.

Pursuant to Article 89(1)(4) of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic disclosures to be made by issuers of securities and on conditions for recognition as equivalent of information whose disclosure is required under the law of a state which is not a member state (Dz.U. 2009 No. 33, item 259) the Management Board of FAST FINANCE S. A. hereby represents that to its best knowledge and belief, the condensed semi-annual financial statements and comparative information have been drawn up in accordance with the accounting policies in force and give a true, fair and clear view of the assets and financial position of FAST FINANCE S.A. as well as of its financial performance. The interim Director's Report gives a true picture of the development, achievements and current position of the Issuer, including the main risks and threats.

Jacek Longin Daroszewski
President of the Management Board

Jacek Zbigniew Krzemiński
Deputy President of the Management Board

Wrocław, 18 August 2015

STATEMENT OF THE MANAGEMENT BOARD OF FAST FINANCE S.A.

Pursuant to Article 89(1)(5) of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic disclosures to be made by issuers of securities and on conditions for recognition as equivalent of information whose disclosure is required under the law of a state which is not a member state (Dz.U. 2009 No. 33, item 259) the Management Board of Fast Finance S.A. hereby represents that the statutory auditor auditing or reviewing the condensed semi-annual financial statements of Fast Finance S.A. has been appointed in accordance with the provisions of the law and that the entity and the chartered accountants performing the audit or the review fulfilled the criteria for issuing an impartial and independent audit report or opinion about the condensed semi-annual financial statements, in accordance with the law and standards applicable to their profession.

Jacek Longin Daroszewski
President of the Management Board

Jacek Zbigniew Krzemiński
Deputy President of the Management Board