INTERIM REPORT

Q1 2015

FOR THE PERIOD

1 Jan. 2015 - 31 March 2015

in accordance with International Financial

Reporting Standards

as approved by the European Union

FAST FINANCE S.A.
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MANAGEMENT'S DISCUSSION OF THE INTERIM REPORT Q1 2015

FAST FINANCE is among the leading players in the consumer debt management market. The Issuer's core business includes purchasing and collection of consumer debts on its own account. FAST FINANCE has been consistently increasing its financial worth.

The Company's financial results are affected by the macroeconomic situation as well as by the condition of the banking sector. The beginning of 2015 saw the continuation of the positive trend of high cash lending by financial institutions. The above trend increases the prospective supply of consumer debt.

At the end of Q1 2015, FAST FINANCE reported the following results:

- net profit PLN 2.1m
- equity PLN 54.4m
- balance sheet total PLN 304.6m
- net debt/equity 1.08x

FAST FINANCE intends to continue the pursuit of its proven business model involving the management and recovery of consumer debts.

In the opinion of FAST FINANCE management, in the remaining months of 2015, the investments made so far in legal and debt collection services with respect to the purchased portfolios will bring stable and growing flows of payments from the debtors. On the other hand, the increase in consumer cash lending by financial institutions and the growing supply of consumer debts offered for sale in auctions will bring opportunities for attractive new purchases.

On behalf of the Management Board of FAST FINANCE S.A. we invite you to read the interim report outlining the Company's achievements in the first quarter of 2015.

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FINANCIAL HIGHLIGHTS

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

	Period ended 31/03/2015	Period ended 31/12/2014	Period ended 31/03/2014	Period ended 31/03/2015	Period ended 31/12/2014	Period ended 31/03/2014
	PLN'000	PLN'000	PLN'000	EUR'000	EUR'000	EUR'000
Net revenue from sales of products, merchandise and materials	6 871		6 699	1 656		1 599
Operating profit (loss)	3 301		3 100	796		740
Gross profit (loss)	2 629		2 507	634		598
Net profit (loss)	2 108		2 019	508		482
Net cash flows from operating activities	(949)		(2 828)	(229)		(675)
Net cash flows from investing activities	2 781		(33)	670		(8)
Net cash flows from financing activities	(4 761)		620	(1 148)		148
Total net cash flows	(2 929)		(2 241)	(706)		(535)
Total assets	304 640	302 495	282 693	74 502	70 970	67 771
Non-current liabilities	215 222	191 645	209 233	52 634	44 963	50 160
Current liabilities	34 981	58 521	28 989	8 555	13 730	6 950
Shareholders' equity	54 437	52 329	44 471	13 313	12 277	10 661
Share capital	1 000	1 000	1 000	245	235	240
Number of shares	25 000 000		100 000 000	25 000 000		100 000 000
Earnings per ordinary share (in PLN/EUR)	0,08		0,02	0,02		0,00
Diluted earnings per ordinary share (in PLN/ EUR)	0,08		0,02	0,02		0,00
Book value per share (in PLN/EUR)	2,18		0,44	0,53		0,11
Diluted book value per share (in PLN/ EUR)	2,18		0,44	0,53		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 31 March 2015 was PLN 4.0890, the mid rate for 31 December 2014 was PLN 4.2623, and the mid rate for 31 March 2014 was PLN 4.1713.

Individual items of the profit and loss account and cash flow statement have been translated using the arithmetic mean of the mid rates of 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 2014 – 31 March 2014 calculated as an arithmetic mean of the exchange rates prevailing on the last day of each month was EUR 1 = PLN 4.1894.

The mid rate in the period 1 January 2015 – 31 March 2015 calculated as an arithmetic mean of the exchange rates prevailing on the last day of each month was EUR 1 = PLN 4.1489.

INTERIM STATEMENT OF PROFIT OR LOSS

	3 months ended 31/03/2015	3 months ended 31/03/2014
	PLN'000	PLN'000
Continued operations		
Revenues from receivables transfer agreements	6 871	6 698
Debt collection revenues	-	1
Revenue from sales of trade goods and materials	-	-
Receivables acquisition costs	810	664
Gross profit (loss) on sales	6 061	6 035
Selling costs	-	-
Overhead costs	3 150	3 097
Profit (loss) on sales	2 911	2 938
Other operating revenue	426	174
Other operating expenses	36	12
Operating profit (loss)	3 301	3 100
Finance income	998	985
Finance costs	1 670	1 578
Profit (loss) before tax	2 629	2 507
Income tax	521	488
Net profit (loss) on continued operations	2 108	2 019
Net profit (loss) on discontinued operations	-	-
Net profit (loss)	2 108	2 019
Other comprehensive income	-	-
Total income for the period	2 108	2 019
Earnings per share (PLN per share)		
Basic	0,08	0,02
Diluted	0,08	0,02

STATEMENT OF FINANCIAL POSITION

	As at 31/03/2015	As at 31/12/2014	As at 31/03/2014
	PLN'000	PLN'000	PLN'000
ASSETS			
Fixed assets			
Tangible fixed assets	1 180	1 277	1 424
Investment properties	-	-	-
Goodwill	-	-	-
Other intangible assets	-	-	-
Investments in associates	-	-	-
Deferred tax assets	341	296	19
Finance lease receivables	-	-	-
Other financial assets	15 989	15 913	36 980
Other assets	555	182	601
Total fixed assets	**18 065**	**17 668**	**39 024**
Current assets			
Inventories	-	-	-
Trade and other receivables	191 611	184 552	182 642
Finance lease receivables	-	-	-
Other financial assets	39 414	41 395	2 605
Current tax assets	-	62	170
Other assets	55 259	55 598	57 844
Cash and cash equivalents	291	3 220	408
Total current assets	**286 575**	**284 827**	**243 669**
Total assets	**304 640**	**302 495**	**282 693**

STATEMENT OF FINANCIAL POSITION

	As at 31/03/2015	As at 31/12/2014	As at 31/03/2014
	PLN’000	PLN’000	PLN’000
LIABILITIES			
Shareholders’ equity			
Share capital	1 000	1 000	1 000
Share premium	-	-	-
Reserve capital	41 452	41 452	33 222
Retained profit (loss)	9 877	-	8 230
Retained earnings	2 108	9 877	2 019
Equity attributable to owners	54 437	52 329	44 471
Equity attributable to the non-controlling interest	-	-	-
Total shareholders’ equity	**54 437**	**52 329**	**44 471**
Non-current liabilities			
Long-term loans	49 301	26 953	53 911
Other financial liabilities	646	716	700
Pension liabilities	-	-	-
Deferred tax liability	1 921	2 078	850
Long-term provisions	-	-	-
Deferred income	163 354	161 898	153 772
Other liabilities	-	-	-
Total non-current liabilities	**215 222**	**191 645**	**209 233**
Current liabilities			
Trade payables and other payables	2 625	1 599	1 312
Short-term loans	9 007	34 554	6 183
Other financial liabilities	316	377	369
Current tax liabilities	557	-	-
Short-term provisions	415	275	96
Deferred income	20 474	20 593	20 532
Other liabilities	1 587	1 123	497
Total current liabilities	**34 981**	**58 521**	**28 989**
Total liabilities	**250 203**	**250 166**	**238 222**
Total equity and liabilities	**304 640**	**302 495**	**282 693**

CASH FLOW STATEMENT

	Period ended 31/03/2015	Period ended 31/03/2014
	PLN'000	PLN'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit (loss)	2 108	2 019
Total adjustments	(3 057)	(4 847)
Depreciation	98	154
Foreign exchange gains (losses)	-	-
Interest and share in profits (dividends)	683	568
Cash flows from investing activities	-	-
Change in provisions	(16)	(340)
Change in inventories	-	-
Change in receivables	(6 997)	(7 507)
Change in current liabilities, excluding financial liabilities	1 916	(189)
Change in prepayments and accrued income	1 257	2 458
Other adjustments	2	9
Net cash flows from operating activities	**(949)**	**(2 828)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible assets	-	-
Disposal of intangible assets	-	-
Acquisition of fixed tangible assets	-	(47)
Disposal of fixed tangible assets	-	-
Acquisition of investment properties	-	-
Disposal of investment properties	-	-
Acquisition of financial assets available for sale	-	-
Sale of financial assets available for sale	-	-
Acquisition of financial assets held for trading	-	-
Sale of financial assets held for trading	-	-
Loans advanced	-	-
Repayments of loans advanced	-	-
Interest received	2 781	14
Dividend received	-	-
Net cash flows from investing activities	**2 781**	**(33)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from share issue	-	-
Purchase of own shares	-	-
Proceeds from the issue of debt securities	24 848	-
Redemption of debt securities	(33 100)	-
Proceeds from loans and credits payable	6 454	17 285
Repayment of credits and loans	(454)	(14 171)
Payments under finance lease agreements	(131)	(97)
Dividend paid	-	-
Interest paid	(2 345)	(2 502)
Other cash inflows from financing activities	-	105
Other cash outflows on financing activities	(33)	-
Net cash flows from financing activities	**(4 761)**	**620**
TOTAL NET CASH FLOWS	(2 929)	(2 241)
Balance sheet change in cash, including:	(2 929)	(2 241)
- change in cash and cash equivalents due to exchange differences	-	-
CASH AT THE BEGINNING OF THE PERIOD	3 220	2 649
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	291	408
- including restricted cash	-	-

STATEMENT OF CHANGES IN EQUITY

	Subscribed capital	Reserve capital	Retained profit (loss)	Undistributed earnings	Total shareholders' equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Changes in equity from 01/01/2014 to 31/03/2014					
As at 1 Jan. 2014	1 000	33 222	-	8 230	42 452
Share issue	-	-	-	-	-
Decrease	-	-	-	(8 230)	(8 230)
Increase	-	-	8 230	2 019	10 249
As at 31 March 2014	**1 000**	**33 222**	**8 230**	**2 019**	**44 471**
Changes in equity from 01/01/2014 to 31/12/2014					
As at 1 Jan. 2014	1 000	33 222	-	8 230	42 452
Share issue	-	-	-	-	-
Decrease	-	-	-	(8 230)	(8 230)
Increase	-	8 230	-	9 877	18 107
As at 31 Dec. 2014	**1 000**	**41 452**	**-**	**9 877**	**52 329**
Changes in equity from 01/01/2015 to 31/03/2015					
As at 1 Jan. 2015	1 000	41 452	-	9 877	-
Share issue	-	-	-	-	-
Decrease	-	-	-	(9 877)	(9 877)
Increase	-	-	9 877	2 108	11 985
As at 31 March 2015	**1 000**	**41 452**	**9 877**	**2 108**	**54 437**

NOTES TO THE FINANCIAL STATEMENTS

These financial statements of FAST FINANCE have been drawn up in accordance with International Financial Reporting Standards (IFRS). The accounting standards adopted for the purposes of these financial statements, including in particular the principles of valuation of assets and liabilities and measurement of profit for the periods from 1 January to 31 March 2014 and from 1 January to 31 March 2015 were applied in a consistent manner, including adjustments to ensure comparability of data. All the amounts in the financial statements and in other financial information are given in thousands of Polish zloty (or thousands of euro), unless indicated otherwise.

The financial statements have been prepared with the assumption that the Company would continue as a going concern in the foreseeable future and that there are no circumstances indicating a threat to its going concern status.

1. Company address details

business 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

2. Registration court and registration number

FAST FINANCE has been on the market since 2004. The Company was established as a result of transformation of its legal predecessor Fast Finance Spółka z ograniczoną odpowiedzialnością (limited liability company) into a joint stock company Fast Finance Spółka Akcyjna. The resolution to transform the entity was passed by the Extraordinary General Meeting of Fast Finance Spółka z ograniczoną odpowiedzialnością, which was recorded on 15 January 2008 by notary Robert Bronsztajn of the notary's office in Wrocław based at Rynek 7, Wrocław, under Notary's file No. A 264/2008. 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.

3. Objects

The Issuer's core business includes purchasing of consumer debts and their collection. Upon purchasing the debt portfolios under 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.

Composition of the Management Board:

President of the Management Board	Jacek Longin Daroszewski
Vice President of the Management Board	Jacek Zbigniew Krzemiński

Composition of the Supervisory Board:

Andrzej Kiełczewski	Chairman of the Supervisory Board
Marek Ochota	Member of the Supervisory Board
Zbigniew Strzałkowski	Member of the Supervisory Board
Grzegorz Kawczak	Member of the Supervisory Board
Hildegarda Kaufeld	Member of the Supervisory Board

4. Overview of the Issuer's achievements or challenges in the reporting period and the relevant events

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 20 March 2015 the Issuer issued 24,800 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.

In connection with the issue of series J bonds, on 5 March 2015 the Issuer informed (in its Current Report RB 2/2015) about the establishment of 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.

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 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 of the Management Board) an investment agreement under which the Issuer and Mr Jacek Daroszewski undertake to gradually redeem from Bank Polskiej Spółdzielczości 8,613 series J bonds with a total nominal value of PLN 8.6m acquired by the Bank. The deadline for making the performance was set at 31 January 2016. The performance of the above bond redemption agreement is secured by a guarantee offered by Mr Jacek Daroszewski and by liquidated damages of PLN 10m.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 based on the early redemption date and based on 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 Szymańscy spółka z ograniczoną odpowiedzialnością nr 3 spółka komandytowo-akcyjna with its registered office in Warsaw and with Jacek Daroszewski an investment agreement in which the Issuer and Jacek Daroszewski undertake to redeem from the Bondholders 7,326 series J bonds acquired as part of series J bond issue.The deadline for fulfilling the obligation was set at 30 December 2015. The above bond redemption agreement is secured by a guarantee of Mr Jacek Daroszewski. In accordance with the terms and conditions of the issue and 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 early redemption date and based on the number of bonds subject to redemption. The remaining provisions of the agreement do not differ from the provisions used in similar agreements.

5. Factors and events, in particular of non-recurring nature, with a material bearing on the Issuer's financial performance

In the first quarter of 2015 there were no factors of non-recurring nature with a material bearing on the Issuer's financial performance.

6. Seasonality and cyclicality of operations

The Issuer's operations are not subject to seasonal or cyclical fluctuations that could have an impact on its financial performance.

7. Issue, redemption and repayment of non-equity and equity securities

In the first quarter 2015 the Issuer made a final redemption of series D bonds issued on 23 March 2012. Series D bonds were redeemed on 23 March 2015 (on the maturity date set in the terms and conditions of series D bonds issue) for a total nominal amount of PLN 30m increased with the interest due to the bondholders.

On 20 March 2015 the Issuer passed a resolution to allot series J bonds with a nominal value of PLN 1,000 each with a total nominal value of PLN 24.8m. The maturity of series J bonds is 31 December 2016. The purpose of the 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 on the Issuer's own account or via Fast Finance NS FIZ of debt portfolios, their servicing and management. The bonds have a floating interest rate based on WIBOR 6M plus a margin of 7.5% per annum. Interest is paid in semiannual periods. Series J bonds are secured by a pool of receivables and by submission to enforcement.

On 23 March 2015 the Issuer purchased for redemption 3,100 series E bonds with a nominal value of PLN 1,000 each with a total nominal value of PLN 3.1m. In accordance with the terms and conditions of the issue the maturity of series E bonds is 16 January 2016.

8. Dividend paid our (or declared), in total and per share, broken down into ordinary and preference shares

In the first quarter of 2015 the Issuer did not pay or declare any dividend.

9. Events subsequent to the reporting date, not disclosed in these financial statements but potentially having a material bearing on the Issuer's future performance

After the reporting date, there were no events that could have a material bearing on the Issuer's future performance.

10. Information on changes in contingent liabilities or contingent assets subsequent to the end of the previous financial year

In the reporting period there were no changes to contingent liabilities or contingent assets. The Issuer holds the following types of security for financial agreements:

- lease agreements – blank promissory note;
- credit facility agreement – declaration of submission to enforcement, blank promissory note, power of attorney over a current bank account, guarantee from BGK;
- bonds – registered pledge over a pool of monetary receivables under defaulted loans, for series J bonds – submission to enforcement in accordance with Article 777 of the Code of Civil Procedure;

In the cases defined above and as at the date of this report, the Issuer has been fulfilling its payment obligations but the estimate of the outflow of funds is uncertain and the date and amount impossible to define.

In particular, there is no risk that in the foreseeable future, in connection with the security for the lease agreements, credit facility agreements and in connection with the need to make payments under the bonds issued there will arise obligations exceeding the amounts shown in the balance sheet as at the date of this report.

11. Organisation of the Issuer's Group of Companies, including entities subject to consolidation

As at the date of the report, the Issuer is not a parent undertaking of a group of companies and does not make consolidated reports.

12. Effects of changes in the structure of the entity

In the reporting period the Issuer did not make any changes to the structure of its business entity.

13. Management Board's position on the feasibility of meeting previously published forecasts for a given year

The Issuer did not publish any forecasts concerning its financial performance for the year.

14. Shareholders holding, directly or indirectly, 5% or more of total voting rights at the General Meeting of the Issuer as at the report issue date

The Issuer's shareholders:

Shareholder	Number of shares	Share in the share capital	Number of votes at GM	Share in total vote at 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

15. Members of management or supervisory bodies holding the Issuer's shares or rights to the Issuer's shares as at the date of issue of this report

The Issuer's shareholders:

Shareholder	Number of shares	Share in the share capital	Number of votes at GM	Share in total vote at GM	Change
Jacek Longin Daroszewski President of the Management Board	10,633,808	42.53 %	16,258,058	44.85 %	none
Jacek Zbigniew Krzemiński Vice 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

16. Litigation, arbitration or administrative proceedings

In the scope described in items a) and b) below, 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:

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

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 of the claim, date of initiation of proceedings and parties to the proceedings.

17. Information about the conclusion by the Issuer or its subsidiary of one or more transactions with related parties

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

18. Information about extending by the Issuer's or its subsidiary of a surety for a loan or credit facility or extending a guarantee - if the aggregate value of existing sureties or guarantees is an equivalent of at least 10% of the Issuer's equity

In the first quarter 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.

19. Other information which, in the opinion of the Issuer, is relevant to the assessment of its staffing levels, assets, financial standing and financial performance

The Issuer's assets, staffing levels and financial position reflect the Issuer's operating strategy and the use of its existing resources for the implementation of its key operating goals.

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 m^2.

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

Staffing levels

As at the end of the first quarter of 2015, the Issuer employed 65 people (including 2 members of the management board), which is a drop by 3 employees as against the end of 2014.

Financial position

In the first quarter of 2015 the Issuer reported a 2.6% increase in sales revenues in comparison to the end of Q1 2014 (from PLN 6,699,000 to PLN 6,871,000). Stable inflows of payments from debtors under the purchased debts constitute the biggest share of the Issuer's sales revenues.

In the reporting period, the Issuer's operating profit reached PLN 3.3m, up by 6.5% on Q1 2014 (PLN 3.1m). The higher operating profit was attributable to the increase in sales revenues, lower growth of overhead costs and to the increase in other operating revenues (more than 2.4x on Q1 2014) due to reimbursement of court fees and stamp duty.

At the end of Q1 2015 the Issuer reported a PLN 122,000 increase in operating profit, up by 4.9% on the end of Q1 2014. The Issuer also posted a 1.3% increase in finance income and its finance costs were 5.8% higher than at the end of Q1 2014.

The Issuer closed the first quarter of 2015 with a net profit of PLN 2.1m, as against PLN 2m at the end of Q1 2014, up by 4.4% YoY.

In the reporting period, at the end of Q1 2015 the Issuer achieved the following positive profitability ratios: operating profit margin reached 48% as against 46.3% at the end of Q1 2014 (up by 1.7 p.p.) and net profitability went up to 30.7% from 30.1% at the end of Q1 2014 (up by 0.6 p.p.).The changes in profitability ratios (margins) are attributable to improved efficiency and to the increase in operating revenue from the Issuer's core business.

At the end of Q1 2015 the Issuer's balance sheet total exceeded PLN 304.6m, up by 0.7% on the end of Q4 2014 (PLN 303m) and up by 7.8% YoY (PLN 283m at the end of Q1 2014).

At 94%, current assets account for the lion's share in the Issuer's balance sheet. Within current assets, the biggest share (63%) is made up of trade receivables in which the Issuer recognises the value of payments due form debtors and loans extended by the Issuer to third parties, whose value dropped by 4.8% (from PLN 41m to PLN 39m at the end of Q1 2015). The value of current assets went up by 3.8% as against the end of 2014 and by 4.9% YoY.

Among the Issuer's fixed assets which comprise less than 6% of its balance sheet total, other financial assets identified as the certificates held by the Issuer in its own securitization fund make up a significant share. At the end of Q1 2015 the value of fixed assets reached PLN 15.9m and changed slightly (by 0.5%) as against the end of 2014. On the other hand, a 57% drop in financial assets as against the previous year (Q1 2014) is a result of reclassification of loans to current assets (short-term).

On the liabilities side of the balance sheet, as at the end of Q1 2015, the largest item was deferred income – as non-current and current liabilities (in aggregate comprising 60% of the balance sheet total).

The first quarter 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 40% (from PLN 58m at the end of 2014 to PLN 38m at the end of Q1 2015) and non-current liabilities went up by 12% (from PLN 192m at the end of 2014 to PLN 215m at the end of Q1 2015).

In the first quarter of 2015 the Issuer incurred current liabilities under promissory notes for current payments relating to operating activity. The financial obligations were incurred in connection with promissory notes: (i) with a value of PLN 1m and (ii) with a value of PLN 5m. The interest on the promissory note in 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 remaining liabilities items include: (i) equity constituting 18% and (ii) financial obligations (lines of credit, bonds, leasing, promissory notes) and other with a share of 22% as at the end of Q1 2015.

Shareholders' equity is composed mainly of reserve capital (76%), current net profit (4%) and retained earnings of 2014 (18%). Capital reserve is created mainly from retained earnings.

The Issuer's cash flows in the first quarter of 2015 were lower, with the total balance sheet change in cash and cash equivalents of PLN (2.9m) and the closing balance of cash and cash equivalents of PLN 0.3m.

At the end of Q1 2015, the value of cash flows from operating activities was negative and reached PLN (0.9m) as against PLN (2.8m) at the end of Q1 2014. The change in operating cash flows was chiefly a result of an increase in the level of receivables (by PLN 7m) and the generated net profit of PLN 2.1m.

Cash flows from investing activities were positive (PLN 2.78m) 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 respectively at the end of Q1 2015 and Q1 2014 at PLN (4.7m) and PLN 0.6m. Cash flows on the liabilities side were related to the payments under bonds and to payments on lease agreements and credit facility agreement.

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, capacity to finance debt purchases directly or via the Issuer's own securitization fund and servicing of the debt under the bonds issued, as well as keeping the terms of the investment agreements concluded with the investors.

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 12 (twelve) months, the amount of debt went up by PLN 1.1bn, up by 2.76% on December 2013.

In accordance with KNF data, at the end of February 2015, the value of consumer loans reached PLN 131.6bn and was 4.4% higher YoY. The value of impaired consumer loans totalled PLN 39.03bn (drop by 1.2% YoY). 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, taking into account the increase in the debt levels and number of debtors, the growth trends on the receivables market are likely to be sustained in the next quarters of 2015. The Issuer expects further growth in the number of debt portfolios offered for sale by banks and an increase in the volume of mortgage debt. Therefore, 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 debt portfolios comprise debts of a large number of individual debtors, the Issuer is not dependent on the solvency of any particular debtor.

The Issuer, having purchased the monetary receivables in a receivables transfer agreement, recovers the debts from the debtors by entering into settlement agreements with 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 method and principles of measurement 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 31 March 2015, the Issuer's total current and non-current liabilities reached PLN 250.2m of which 86% (PLN 215m) were non-current liabilities in which the Issuer classifies deferred income in connection with future inflows under the debt portfolios purchased of PLN 163m (i.e. 76% of non-current liabilities). The remaining part of debt of PLN 49.3m is composed of the bonds issued by the Issuer. Changes in the debt maturity structure result mainly from the events connected with the redemption of series D bonds and with the issue of series J bonds.

At the end of Q1 2015, the value of the Issuer's shareholder's equity stood at PLN 54.4m, up by 4.0% on the end of Q4 2014, with the increase attributable to the net profit generated in the period.

Financial data used to calculate the debt ratio.

	As at 31 March 2015 PLN '000
Shareholders' equity	**54 437**
Cash	**291**

Financial debt	**As at 31 March 2015 PLN '000**
Credit	**3 000**
Bonds	**49 301**
Leases	**962**
Promissory notes	**6 007**

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 and J 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.

	Q1 2015	**Q4 2014**	**Q3 2014**	**Q2 2014**	**Q1 2014**	**Q4 2013**	**Q3 2013**	**Q2 2013**	**Q1 2013**
Net financial debt to equity	1.08	1.13	1.29	1.18	1.37	1.33	1.40	1.51	1.57

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 Q1 2015 dropped by 4.4 p.p. and reached 1.08x of the value at the end of Q4 2014.

20. Accounting standards followed in the preparation of the financial statements for Q1 2015

The following accounting standards, including methods of valuation of assets and liabilities, revenues and costs and calculation of the profit (loss) were followed.

Goodwill

Goodwill is not depreciated in the financial statements but is subject to periodical impairment testing.

Measurement of assets, liabilities and profit

In its financial statements, the Company shows economic events in accordance with their substance. The Company's financial result for a given financial year includes all the incomes generated and received by the Company as well as their corresponding expenditures recorded using the accrual principle, matching principle and prudence principle.

Intangible assets and fixed assets

Intangibles and fixed assets whose value does not exceed the amount specified in the act on corporate income tax permitting such assets to be expensed, are depreciated in a simplified manner by making a one-off depreciation charge for the full amount of the asset in the month in which such asset was put to use.

Depreciation charges reduce the initial value of intangibles and of fixed assets.

Intangibles and fixed assets whose value exceeds the amount set for the purposes of depreciation in the act on corporate income tax are subject to depreciation charges made as part of systematic and planned distribution of their initial value over a predetermined depreciation period.

Fixed assets are depreciated on a straight line basis over the period of their useful life, in accordance with the following principles:

Land (including right of perpetual usufruct)	2.5%
Buildings and structures	2.5%
Technical equipment and machinery (excluding computer equipment)	14-20%
Computer equipment	33%
Transport vehicles	20%
Other fixed assets	10-25%

If the entity has accepted third-party fixed assets or intangible assets for use under an agreement providing that one of the parties (the lessor) gives the other party (the lessee) fixed assets or intangible assets for use against payment and for collecting profits for a definite time, such assets are regarded as the lessee's fixed assets.

Fixed assets held for sale

Fixed assets classified as held for sale are measured using one of the following: carrying amount or fair value less costs to sell. The Company classifies an asset as held for sale if its carrying amount is recovered through a disposal and not through its further use.

Tangible current assets

The Company does not keep a register of materials and merchandise.

Financial assets

Financial assets are recognised on the trade date. On the date of acquisition or creation, financial assets are classified as: financial assets carried at fair value through profit or loss, loans and receivables, financial assets held to maturity, financial assets available for sale.

Domestic receivables during the financial year are shown at nominal value, i.e. at the value determined at their origination, while as at the balance sheet date they are shown at amounts due, using the prudence principle.

Short-term receivables include purchased and verified debts, with respect to which the entity has legal titles and confirmations from the creditors. Receivables are measured as at the balance sheet date at amounts due, broken down into receivables with maturities below and above twelve months. As at the balance sheet date they are measured at amounts due less any impairment charges.

Receivables in foreign currencies are measured as at the balance sheet date at the buy rate of the entity's bank, which may not be higher than the average rate set for the given currency for that date by the National Bank of Poland.

Long-term financial assets

Shares in other entities or other investments are measured as at the balance sheet date at cost less impairment losses. After initial recognition at cost, shares or participating interests are subject to comparison and adjustment to realizable value. The difference is shown under costs of financial operations. Shares in related undertakings are measured at cost less impairment losses or at fair value. Items valued at cost are revalued to market values or using the equity method.

Short-term financial assets

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.

Classification and measurement of shares and participating interests in other entities

Shares and participating interests are carried at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits at banks, 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 in foreign currencies are measured as at the balance sheet date at the buy rate of the entity's bank, which may not be higher than the mid rate set for the given currency for that date by the National Bank of Poland.

Shareholders' equity

Shareholders' equity is shown at nominal value broken down 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 defined in the Articles of Association and registered in the National Court Register.

Treasury shares are carried at cost.

Rules for provisions

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions are created in respect of: certain or highly probable future liabilities, whose amount may be reliably assessed, and in particular for losses on business under way. Provisions may be created in particular for:

- losses on business under way, including extended guarantees and surety, 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 at amounts expected to be paid. Liabilities in foreign currencies are measured as at the balance sheet date at the buy rate of the entity's bank, which may not be higher than the average rate for the given currency set for such date by the National Bank of Poland.

Deferred income

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

Determination of profit

Sales revenues include the amounts recovered from debtors.

The costs of operating activities, which may be directly attributed to the entity’s revenues, affect the entity’s financial performance in the reporting period in which such revenues occurred. 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 revenue and operating expenses

Other operating revenue and expenses include in particular the items relating to:

- disposal of fixed assets, fixed assets under construction, and intangible and legal 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 gratuitous receipt, including by way of gift, of assets, including funds for purposes other than acquisition or production of 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,
- income from participation in the profits of other entities,
- interest accrued, paid and received,
- realized and unrealized exchange differences,
- other items concerning 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 value of assets and liabilities shown in the books and their tax value, the Company creates a provision and determines deferred tax assets.

The tax value of assets is the amount decreasing the income tax base if, directly or indirectly, taxable economic benefits are derived from such assets. If the deriving of economic benefits from certain assets does not result in the reduction of the tax base, the tax value of such assets is their carrying amount.

The tax value of liabilities is their carrying amount less the amounts which in the future will reduce the income tax base.

Deferred tax assets are determined in the amount planned for deduction from income tax, in connection with deductible temporary differences which will cause in the future a reduction of the income tax base or deductible tax loss determined according to the prudence concept.

The deferred income tax provision is created in the amount of income tax payable in the future, in connection with taxable temporary differences, i.e. the differences that will increase the income tax base in the future.

The amount of the provision and of deferred tax assets are determined taking into account the income tax rates in force in the year the tax liability arose. The provision and deferred tax assets are disclosed separately in the balance sheet. Provisions and deferred tax assets relate to transactions recognised in equity and are recognised directly in equity.

Impairment

As at each balance sheet date, the net values of fixed assets are reviewed to determine the existence of any potential factors for impairment. If such factors exist, the asset recovery value is estimated to determine the amount of possible write-down. The estimated value is the selling price or value in use, whichever is higher.

Consolidation principles

Investments in the Group's subsidiaries are accounted for using full consolidation method in accordance with IFRS 3 and IAS 27.

Investments in associates over which the Group has significant influence, being the power to participate in their financial and operating policy decisions (but not control), are accounted for using the equity method in accordance with IFRS 3 and IAS 28.

21. Factors with a potential bearing on the Issuer's results in the next quarter or in a longer term

The Issuer's operating activity is based on the underlying business model connected with the recovery of primarily consumer debt.

The following factors have bearing on the Issuer's future activity:

(i) the investments recently made by the Issuer in legal and debt collection services with respect to the debts purchased which in the coming quarter will contribute to a stable and growing cash inflows from the debtors,
(ii) increased volume of consumer lending by financial institutions,
(iii) increased number of debt portfolios offered for sale by financial institutions and a strong competition during bidding procedures,
(iv) the Issuer's positive image,
(v) possibility to obtain additional funds from bonds issues or from increased borrowing,
(vi) performance of the provisions of agreements with investors (bondholders) concerning the process of gradual redemption of series J bonds J.

Major risks relating to the Issuer's business

Risk of a downturn in the macroeconomic environment or in the sector

The sector the Issuer operates in is dependent on the macroeconomic environment. An economic downturn may negatively affect the financial position of the Issuer's creditors and may cause a decline in the currently observed consumer optimism. The above may result in a smaller number of loans, and consequently in a smaller demand for the Company' services and longer debt collection periods and may negatively affect the Issuer's financial performance.

However, currently, 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 on the market similar to the Issuer's company. One can name a few direct competitors. Additionally, there are several smaller entities whose business is similar to the Issuer's business. Also, given the size of the market and its good development outlook, the appearance of new players is possible, which may negatively affect the Issuer's performance.

However, the Issuer's market mainly relies on the trust the sellers have in the purchasers of their receivables. Over the past years, the Issuer's compliance with good market practice and with the ethical norms has earned it the trust of other market participants. In its debt collection process, the Issuer uses an individual approach to debtors, which manifests itself in adjusting the collection efforts to the individual situation of each of them and in agreeing affordable repayment plans. Legal steps are only taken as a last resort.

Risk of a drop of 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 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 is 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 amount of the debtor's liability.

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 applicable to the Issuer, 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 causes 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 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 debts purchased by the Issuer are very diversified in terms of the debtors' age, income and assets. However, insolvency of a large number of debtors cannot be ruled out 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 date of the report, 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 that 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 the Issuer recovers 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

As at the end of 2014, the existing main shareholders were 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).

Jacek Daroszewski President of the Management Board	Jacek Krzemiński Vice President of the Management Board

Wrocław, 7 May 2015