

SEMI-ANNUAL REPORT

2019

IPF Investments Polska Sp. z o.o.

Content of the Semi-annual Report:

- 1) Selected financial data
- 2) Semi-annual Interim Condensed Financial Statements
- 3) Management Board Report
- 4) Management Board Statement

Selected financial data
IPF Investments Polska Sp. z o. o.

As at and for the six month period ended 30 June	2019	2018	2019	2018
	PLN 000'		EUR 000'	
Total income	6 091	6 106	1 421	1 442
Profit before income tax	122	43	28	10
Net profit for the period	98	35	23	8
Non-current assets	40	199 775	9	45 803
Current assets	201 149	1 260	47 307	289
Total assets	201 189	201 035	47 316	46 092
Called up share capital	45	45	11	10
Total equity	271	131	64	30
Current liabilities	200 918	904	47 253	207
Non-current liabilities	-	200 000	-	45 855
Total liabilities	200 918	200 904	47 253	46 062
Net cash inflow/(outflow) from operating activities	6 062	6 069	1 414	1 433
Net cash inflow/(outflow) from financing activities	(6 024)	(6 044)	(1 405)	(1 427)
Net increase/(decrease) in cash and cash equivalents	38	25	9	6
Cash and cash equivalents at the end of the period	458	361	108	83

The amounts in PLN from the interim condensed statement of comprehensive income and the interim condensed statement of cash flows have been translated to EUR at the average NBP rates for the six month periods ended 30 June 2019 and 2018 respectively, which have been calculated as an arithmetical average of the NBP rates as at the end of each month in the period.

The amounts in PLN from the interim condensed statement of financial position have been translated to EUR at the average NBP rate as at 30 June 2019 and 2018 respectively.

IPF Investments Polska Sp. z o.o.
Interim Condensed Financial Statements
in accordance with IAS 34
as at and for the six month period ended 30 June 2019

To the shareholder of IPF Investments Polska Sp. z o.o.

Approval of the Interim Condensed Financial Statements

The accompanying Interim Condensed Financial Statements comprising interim condensed statement of comprehensive income for the six month period ended 30 June 2019, interim condensed statement of financial position as at 30 June 2019, interim condensed statement of changes in equity for the six month period ended 30 June 2019, interim condensed statement of cash flows for the six month period ended 30 June 2019 and notes to the Interim Condensed Financial Statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union and are presented in the following order:

	Page
Interim condensed statement of comprehensive income	3
Interim condensed statement of financial position	4
Interim condensed statement of changes in equity	5
Interim condensed statement of cash flows	6
Notes to the Interim Condensed Financial Statements	7

We hereby approve the Interim Condensed Financial Statements of IPF Investments Polska Sp. z o.o. as at and for the six month period ended 30 June 2019.

Alicja Kopeć
Board Member

Maciej Mikucki
Board Member

Piotr Cybulski
Board Member

Warsaw, 31 July 2019

Interim condensed statement of comprehensive income

For the six month period ended 30 June	Notes	2019 PLN <i>unaudited</i>	2018 PLN <i>restated unaudited</i>
Interest revenue		6 091 258,37	6 106 319,33
Total income		6 091 258,37	6 106 319,33
Finance costs		(5 990 173,40)	(6 005 675,38)
Operating income/ (costs), thereof:		20 491,75	(57 471,72)
- Impairment on receivables from loans	4	69 727,32	(3 976,12)
Total costs		(5 969 681,65)	(6 063 147,10)
Profit before income tax		121 576,72	43 172,23
Income tax expense	8	(23 099,22)	(8 202,54)
Net profit for the period		98 477,50	34 969,69
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		98 477,50	34 969,69

Interim condensed statement of financial position

As at	Notes	30 June 2019 PLN <i>unaudited</i>	31 December 2018 PLN <i>audited</i>	30 June 2018 PLN <i>restated unaudited</i>
ASSETS				
Non-current assets				
Receivables from loans	4	-	199 721 670,00	199 721 675,56
Deferred income tax asset		39 679,41	55 225,63	52 875,27
		39 679,41	199 776 895,63	199 774 550,83
Current assets				
Receivables from loans	4	200 685 456,48	928 816,91	893 480,79
Current income tax – receivable		5 644,00	-	-
Trade and other receivables		-	-	5 833,34
Cash and cash equivalents		458 025,25	419 875,20	360 993,35
		201 149 125,73	1 348 692,11	1 260 307,48
Total assets		201 188 805,14	201 125 587,74	201 034 858,31
LIABILITIES				
Current liabilities				
Debt securities in issue	5	200 881 270,89	915 097,49	880 418,93
Trade and other payables		36 699,50	26 048,00	16 024,00
Current income tax liabilities		-	12 085,00	7 553,00
		200 917 970,39	953 230,49	903 995,93
Non-current liabilities				
Debt securities in issue	5	-	200 000 000,00	200 000 000,00
		-	200 000 000,00	200 000 000,00
Total liabilities		200 917 970,39	200 953 230,49	200 903 995,93
EQUITY				
Called up share capital	6	45 000,00	45 000,00	45 000,00
Retained earnings		225 834,75	127 357,25	85 862,38
Total equity		270 834,75	172 357,25	130 862,38
Total equity and liabilities		201 188 805,14	201 125 587,74	201 034 858,31

Interim condensed statement of changes in equity

	Called up share capital PLN	Retained earnings PLN	Total equity PLN
At 1 January 2019	45 000,00	127 357,25	172 357,25
Profit for the period	-	98 477,50	98 477,50
At 30 June 2019 (unaudited)	45 000,00	225 834,75	270 834,75

	Called up share capital PLN	Retained earnings PLN	Total equity PLN
At 1 January 2018	45 000,00	274 127,91	319 127,91
Impact from IFRS 9 implementation (incl. income tax effect)	-	(223 235,22)	(223 235,22)
At 1 January 2018 (restated)	45 000,00	50 892,69	95 892,69
Net profit for the period (restated)	-	34 969,69	34 969,69
At 30 June 2018 (restated, unaudited)	45 000,00	85 862,38	130 862,38

Interim condensed statement of cash flows

For the six month period ended 30 June	Notes	2019 PLN <i>unaudited</i>	2018 PLN <i>restated unaudited</i>
Profit before income tax		121 576,72	43 172,23
Adjusted for:		(158 144,67)	(106 251,47)
Finance costs		5 990 173,40	6 005 675,38
Interest on granted loans - revenue		(6 089 242,25)	(6 104 753,13)
(Increase)/decrease in trade and other receivables		-	(5 833,34)
Increase/(decrease) in current liabilities, excluding bank and other borrowings		10 651,50	(5 316,50)
Impairment on receivables from loans	4	(69 727,32)	3 976,12
Income tax paid		(25 282,00)	(12 004,00)
Interest received on granted loans		6 124 000,00	6 144 000,00
Net cash inflow/(outflow) from operating activities		6 062 150,05	6 068 916,76
Cash flow from investing activities			
Net cash inflow/(outflow) from investing activities		-	-
Cash flow from financing activities			
Cash inflows:		-	-
Cash outflows:		(6 024 000,00)	(6 044 000,00)
Interest paid		(6 024 000,00)	(6 044 000,00)
Net cash inflow/(outflow) from financing activities		(6 024 000,00)	(6 044 000,00)
Net increase/(decrease) in cash and cash equivalents		38 150,05	24 916,76
Cash and cash equivalents at the beginning of the period		419 875,20	336 076,59
Cash and cash equivalents at the end of the period		458 025,25	360 993,35

Notes to the Interim Condensed Financial Statements

1. General information

IPF Investments Polska Sp. z o. o. ("the Company") is incorporated in the Republic of Poland. The address of the Company's registered office is ul. Inflancka 4A, Warsaw.

IPF Investments Polska Sp. z o. o. was established on 8 December 2009. On 21 December 2009 the Company was entered into the Register of Entrepreneurs kept by the Business Department of the National Court Register at the District Court in Warsaw, XII Commercial Division of the National Court Registry, under number KRS 0000344995.

The Company was formed as a special purpose entity for the purpose of raising funds mainly from commercial bonds issue and granting loans to entities owned by International Personal Finance plc ("IPF plc" – a UK-based entity listed on London Stock Exchange and Warsaw Stock Exchange/ "the Group") to finance their lending business.

As stated in the Company's Memorandum of Association, the Company's operation period is indefinite.

The following persons served as members of the Management Board as at 30 June 2019 and as at the date of approval of these Interim Condensed Financial Statements:

Alicja Kopeć	Member since 8 December 2009
Piotr Cybulski	Member since 18 May 2018
Maciej Mikucki	Member since 18 May 2018

During the reporting period and till the date of authorisation of these Interim Condensed Financial Statements there were the following changes in the Management Board composition:

- on 27 March 2019, effective from 29 March 2019, John Dahlgreen resigned from the position of the Management Board Member, which he held since 8 December 2009.

2. Basis of preparation

These Interim Condensed Financial Statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' as adopted by the European Union.

These Interim Condensed Financial Statements do not include all the information and disclosures required in Annual Financial Statements and should be read in conjunction with the Annual Report and Financial Statements as at and for the year ended 31 December 2018, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and were approved for issuance on 24 April 2019.

These Interim Condensed Financial Statements have been prepared on a going concern basis and under the historical cost convention.

The Company's activities are not subject to significant seasonal or cyclical trends.

The Company operates within one operating segment.

3. Summary of significant accounting policies

The accounting policies applied in these Interim Condensed Financial Statements are consistent with the policies applied in the Financial Statements of the Company as at and for the year ended 31 December 2018.

For the year beginning 1 January 2018 the Company applied for the first time IFRS 9 *Financial Instruments* (IFRS 9). The impact of IFRS 9 implementation on the full year 2018 was presented in the Financial Statements of the Company as at and for the year ended 31 December 2018. In these Interim Condensed Financial Statements the comparative data as at and for the six month period ended 30 June 2018 has been restated accordingly to reflect consistently the impact of the implementation of IFRS 9.

The below table shows the impact on interim condensed statement of comprehensive income, interim condensed statement of financial position and interim condensed statement of cash flows:

Notes to the Interim Condensed Financial Statements (continued)

3. Summary of significant accounting policies (continued)

For the six month period ended 30 June 2018	PLN <i>previously reported unaudited</i>	PLN <i>restatement</i>	PLN <i>restated unaudited</i>
Interest revenue	6 106 319,33	-	6 106 319,33
Total income	6 106 319,33	-	6 106 319,33
Finance costs	(6 005 675,38)	-	(6 005 675,38)
Operating costs, thereof	(53 495,60)	(3 976,12)	(57 471,72)
- Impairment on receivables from loans	-	(3 976,12)	(3 976,12)
Total costs	(6 059 170,98)	(3 976,12)	(6 063 147,10)
Profit before income tax	47 148,35	(3 976,12)	43 172,23
Income tax expense	(8 958,00)	755,46	(8 202,54)
Net profit for the period	38 190,35	(3 220,66)	34 969,69
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	38 190,35	(3 220,66)	34 969,69
As at 30 June 2018	PLN <i>previously reported unaudited</i>	PLN <i>restatement</i>	PLN <i>restated unaudited</i>
ASSETS			
Non-current assets			
Receivables from loans	200 000 000,00	(278 324,44)	199 721 675,56
Deferred income tax asset	-	52 875,27	52 875,27
	200 000 000,00	(225 449,17)	199 774 550,83
Current assets			
Receivables from loans	894 731,51	(1 250,72)	893 480,79
Trade and other receivables	5 833,34	-	5 833,34
Cash and cash equivalents	360 993,35	-	360 993,35
	1 261 558,20	(1 250,72)	1 260 307,48
Total assets	201 261 558,20	(226 699,89)	201 034 858,31
LIABILITIES			
Current liabilities			
Debt securities in issue	880 418,93	-	880 418,93
Trade and other payables	16 024,00	-	16 024,00
Current income tax liabilities	7 553,00	-	7 553,00
	903 995,93	-	903 995,93
Non-current liabilities			
Debt securities in issue	200 000 000,00	-	200 000 000,00
Deferred tax liability	244,01	(244,01)	-
	200 000 244,01	(244,01)	200 000 000,00
Total liabilities	200 904 239,94	(244,01)	200 903 995,93
EQUITY			
Called up share capital	45 000,00	-	45 000,00
Retained earnings	312 318,26	(226 455,88)	85 862,38
Total equity	357 318,26	(226 455,88)	130 862,38
Total equity and liabilities	201 261 558,20	(226 699,89)	201 034 858,31

IPF Investments Polska Sp. z o.o. – Interim Condensed Financial Statements in accordance with International Accounting Standard (IAS) 34 8

As at and for the six month period ended 30 June 2019

The notes on pages 7 to 15 are an integral part of these Interim Condensed Financial Statements

Notes to the Interim Condensed Financial Statements (continued)

3. Summary of significant accounting policies (continued)

	PLN <i>previously reported unaudited</i>	PLN <i>restatement</i>	PLN <i>restated unaudited</i>
Profit before income tax	47 148,35	(3 976,12)	43 172,23
Adjusted for:	(110 227,59)	3 976,12	(106 251,47)
Finance costs	6 005 675,38	-	6 005 675,38
Interest on granted loans - revenue	(6 104 753,13)	-	(6 104 753,13)
(Increase)/decrease in trade and other receivables	(5 833,34)	-	(5 833,34)
Increase/(decrease) in current liabilities, excluding bank and other borrowings	(5 316,50)	-	(5 316,50)
Impairment on receivables from loans	-	3 976,12	3 976,12
Income tax paid	(12 004,00)	-	(12 004,00)
Interest received on granted loans	6 144 000,00	-	6 144 000,00
Net cash inflow/(outflow) from operating activities	6 068 916,76	-	6 068 916,76
Cash flow from investing activities			
Net cash inflow/(outflow) from investing activities	-	-	-
Cash flow from financing activities			
Cash inflows:	-	-	-
Cash outflows:	(6 044 000,00)	-	(6 044 000,00)
Interest paid	(6 044 000,00)	-	(6 044 000,00)
Net cash inflow/(outflow) from financing activities	(6 044 000,00)	-	(6 044 000,00)
Net increase/(decrease) in cash and cash equivalents	24 916,76	-	24 916,76
Cash and cash equivalents at the beginning of the period	336 076,59	-	336 076,59
Cash and cash equivalents at the end of the period	360 993,35	-	360 993,35

Standards and amendments effective from 2019

The following standards, amendments, improvements and clarifications to the standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the first time for financial reporting periods commencing on or after 1 January 2019:

- IFRS 16 *Leases* (issued on 13 January 2016),
- Annual Improvements to IFRS Standards 2015-2017 Cycle (issued on 12 December 2017),
- Amendments to IAS 19 *Plan Amendment, Curtail or Settlement* (issued on 7 February 2018),
- Amendments to IAS 28 *Long-term Interest in Associates and Joint Ventures* (issued on 12 October 2017),
- IFRIC 23 *Uncertainty over Income Tax Treatments* (issued on 7 June 2017),
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation* (issued on 12 October 2017).

Application of the standards, amendments, improvements and clarifications to the standards listed above had no material impact on the Company's financial position, performance and the scope of information presented in the Company's Interim Condensed Financial Statements.

Notes to the Interim Condensed Financial Statements (continued)

3. Summary of significant accounting policies (continued)

Implementation of IFRS 16 *Leases* (IFRS 16)

The Company is party of lease agreement relating to office space rental which was classified as operating lease under IAS 17 *Leases*. This agreement meets the definition of a lease according to IFRS 16, however it was classified as short term lease based on the available recognition exemptions. Therefore no lease liability was recognized on adoption of IFRS 16 as at 1 January 2019.

Implementation of IFRIC 23 *Uncertainty over Income Tax Treatments*

The interpretation explains how the requirements for recognition and measurement set in IAS 12 *Income tax* should be applied when there is uncertainty whether the tax authority will accept the entity's treatment of a transaction in respect of income tax. The Company defines 'probable' as 'more likely than not' and so the application of IFRIC 23 had no material impact on its financial position and results.

Standards and amendments issued by IASB but not yet effective

The Company did not early adopt any of the following standards and amendments to the existing standards, which were issued by IASB but are not yet effective:

- IFRS 17 *Insurance Contracts* (issued on 18 May 2017) - effective for financial years beginning on or after 1 January 2021 – not yet endorsed by EU till the date of approval these Interim Condensed Financial Statements,
- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018) - effective for financial years beginning on or after 1 January 2020 – not yet endorsed by EU till the date of approval these Interim Condensed Financial Statements,
- Amendments to IFRS 3 *Business Combinations* (issued on 22 October 2018) - effective for financial years beginning on or after 1 January 2020 – not yet endorsed by EU till the date of approval these Interim Condensed Financial Statements,
- Amendments to IAS 1 and IAS 8: Definition of Material (issued on 31 October 2018) - effective for financial years beginning on or after 1 January 2020 – not yet endorsed by EU till the date of approval these Interim Condensed Financial Statements.

As at the date of authorisation of these Interim Condensed Financial Statements the Management is in progress of analysing the impact of the above new standards and amendments to the existing standards on the Company's accounting policies.

4. Receivables from loans

As at 30 June 2019 the Company had a receivable from only one loan, which was issued in June 2015 to a related entity for a period of 5 years at nominal value of PLN 200 million. The loan matures in June 2020. The interest on the loan is based on variable interest rate (WIBOR 6M) plus margin. The amount receivable from the loan is measured at amortized cost and equals the expected future cash flows discounted at the EIR (effective interest rate). The repayment of the loan is guaranteed by entities from the Group (for details see Note 9). The loan was not past due as at 30 June 2019, 31 December 2018 and 30 June 2018.

Notes to the Interim Condensed Financial Statements (continued)

4. Receivables from loans (continued)

The following tables explain the changes in the gross carrying amount and loss allowance between the beginning of the period and the end of the period:

	Stage 1 PLN	Stage 2 PLN	Stage 3 PLN	Total PLN
Gross carrying value				
As at 1 January 2019	200 930 111,30	-	-	200 930 111,30
Additions (accrued interest)	6 089 242,25	-	-	6 089 242,25
Payments	(6 124 000,00)	-	-	(6 124 000,00)
As at 30 June 2019	200 895 353,55	-	-	200 895 353,55
Loss allowance				
As at 1 January 2019	(279 624,39)	-	-	(279 624,39)
Changes due to receivables balance changes	36,32	-	-	36,32
Changes in parameters	69 691,00	-	-	69 691,00
As at 30 June 2019	(209 897,07)	-	-	(209 897,07)
Gross carrying value as at 1 January 2019	200 930 111,30	-	-	200 930 111,30
Loss allowance as at 1 January 2019	(279 624,39)	-	-	(279 624,39)
Net receivables as at 1 January 2019	200 650 486,91	-	-	200 650 486,91
Gross carrying value as at 30 June 2019	200 895 353,55	-	-	200 895 353,55
Loss allowance as at 30 June 2019	(209 897,07)	-	-	(209 897,07)
Net receivables as at 30 June 2019	200 685 456,48	-	-	200 685 456,48
	Stage 1 PLN	Stage 2 PLN	Stage 3 PLN	Total PLN
Gross carrying value				
As at 1 January 2018	200 933 978,38	-	-	200 933 978,38
Additions (accrued interest)	6 104 753,13	-	-	6 104 753,13
Payments	(6 144 000,00)	-	-	(6 144 000,00)
As at 30 June 2018	200 894 731,51	-	-	200 894 731,51
Loss allowance				
As at 1 January 2018	(275 599,04)	-	-	(275 599,04)
Changes due to receivables balance changes	54,62	-	-	54,62
Changes in parameters	(4 030,74)	-	-	(4 030,74)
As at 30 June 2018	(279 575,16)	-	-	(279 575,16)
Gross carrying value as at 1 January 2018	200 933 978,38	-	-	200 933 978,38
Loss allowance as at 1 January 2018	(275 599,04)	-	-	(275 599,04)
Net receivables as at 1 January 2018	200 658 379,34	-	-	200 658 379,34
Gross carrying value as at 30 June 2018	200 894 731,51	-	-	200 894 731,51
Loss allowance as at 30 June 2018	(279 575,16)	-	-	(279 575,16)
Net receivables as at 30 June 2018	200 615 156,35	-	-	200 615 156,35

Notes to the Interim Condensed Financial Statements (continued)

5. Debt securities in issue

In June 2015 the Company issued 200 000 5-year floating-rate debt securities with a par value of PLN 1 000 each and a total nominal value of PLN 200 million. The details of the bonds' features as at 30 June 2019, 31 December 2018 and 30 June 2018 are the following:

ISIN code	Maturity Date	Interest basis	Carrying value	Carrying value	Carrying value
			30 June 2019	31 December 2018	30 June 2018
			PLN	PLN	PLN
PLIPFIP00033	03.06.2020	WIBOR 6M + margin	200 881 270,89	200 915 097,49	200 880 418,93
Current			200 881 270,89	915 097,49	880 418,93
Non-current			-	200 000 000,00	200 000 000,00
Total			200 881 270,89	200 915 097,49	200 880 418,93

6. Share capital

There were no changes to the number of shares issued in the six month period ended 30 June 2019 and 2018 (there have been no such changes since the initial capital injection).

The Company's immediate and ultimate parent and sole shareholder is International Personal Finance Plc ("IPF Plc").

7. Dividends

No dividend was declared nor paid in the six month period ended 30 June 2019.

8. Income tax

The effective tax rate for the six month period ended 30 June 2019 and 30 June 2018 approximates 19%.

9. Related party transactions

(a) Relationship between IPF Investments Polska and its parent company

For the parent information, see note 6.

(b) Transactions with key management personnel

The members of the Company's Management Board have been employed by the IPF Plc Group (the Group). During the period, the management of the Company has not received any compensation in respect of their capacity as managers of the Company. The Company's managers have been nominated by the shareholder, and were appointed in order to safeguard the shareholder's interests.

In the six month period ended 30 June 2019 and 2018 the Company did not grant any loans to the Management Board members. There were no other transactions concluded with members of the management of the Company, of the parent company nor their close family members.

(c) Group transactions

In the six month period ended 30 June 2019 and 2018 the Company was a party to transactions with the following related Group entities:

- IPF Plc (UK),
- Provident Polska S.A.,
- IPF Holdings Limited (UK),
- International Personal Finance Investments Limited (UK),
- IPF International Limited (UK),
- IPF Digital Group Limited (UK).

IPF Investments Polska Sp. z o.o. – Interim Condensed Financial Statements in accordance with International Accounting Standard (IAS) 34 12

As at and for the six month period ended 30 June 2019

The notes on pages 7 to 15 are an integral part of these Interim Condensed Financial Statements

Notes to the Interim Condensed Financial Statements (continued)

9. Related party transactions (continued)

The nature of the transactions with the above entities was the following:

1. PLN 200 million intra-group loan agreement concluded with Provident Polska S.A. as borrower to financially support its basic business activity and with IPF Plc, IPF Holdings Limited, International Personal Finance Investments Limited, IPF International Limited and IPF Digital Group Limited as joint guarantors of repayment of the loan issued to Provident Polska S.A. The loan was issued in June 2015 for 5 years.
2. Services agreement, which regulates the provision by Provident Polska S.A. to the Company of services in relation to accounting, banking, legal and other business related services as well as rental of office space.

Only the transactions with Provident Polska S.A. had an effect on the Company's interim condensed statement of financial position and interim condensed statement of comprehensive income, which was the following:

For the six month period ended 30 June	2019 PLN <i>unaudited</i>	2018 PLN <i>unaudited</i>
Revenue/(costs)		
Interests from loan	6 089 242,25	6 104 753,13
Cost recharges	12 418,40	15 263,74
Service costs	(37 859,40)	(37 859,40)
	6 063 801,25	6 082 157,47

As at	30 June 2019 PLN <i>unaudited</i>	31 December 2018 PLN <i>audited</i>	30 June 2018 PLN <i>restated unaudited</i>
Assets/(liabilities)			
Receivables from loan	200 685 456,48	200 650 486,91	200 615 156,35
Trade and other receivables	-	-	5 833,34
Trade and other payables	-	-	(3 000,00)
	200 685 456,48	200 650 486,91	200 617 989,69

Notes to the Interim Condensed Financial Statements (continued)

10. Fair value of financial assets and liabilities by category and fair value hierarchy

The fair value and carrying value of the financial assets and liabilities of the Company are set out below:

As at	30 June 2019		31 December 2018		30 June 2018	
	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value
	PLN	PLN	PLN	PLN	PLN	PLN
Financial assets	<i>unaudited</i>	<i>unaudited</i>	<i>audited</i>	<i>audited</i>	<i>unaudited</i>	<i>restated unaudited</i>
Cash and cash equivalents	458 025,25	458 025,25	419 875,20	419 875,20	360 993,35	360 993,35
Receivables from loans	202 364 773,56	200 685 456,48	203 154 431,85	200 650 486,91	203 865 986,12	200 615 156,35
Trade and other receivables	-	-	-	-	5 833,34	5 833,34
Total	202 822 798,81	201 143 481,73	203 574 307,05	201 070 362,11	204 232 812,81	200 981 983,04
Financial liabilities						
Debt securities in issue	188 894 000,00	200 881 270,89	190 426 000,00	200 915 097,49	190 572 000,00	200 880 418,93
Trade and other payables	36 699,50	36 699,50	26 048,00	26 048,00	16 024,00	16 024,00
Total	188 930 699,50	200 917 970,39	190 452 048,00	200 941 145,49	190 588 024,00	200 896 442,93

The fair value of amounts receivable from loans for the disclosure purposes has been assessed by discounting contractual future cash flows at an appropriate current market rate of similar instruments available for the Company.

The fair value of debt securities in issue has been obtained by reference to the Catalyst market listings (as at the end of half year 2019, year 2018 and half year 2018 respectively). Due to the limited number of bonds and small number of transactions in the market the debt securities in issue have been classified into level 2 of fair value hierarchy.

For other financial assets and liabilities, which are all short-term in nature, the carrying value is a reasonable approximation of fair value.

All financial assets and financial liabilities of the Company are categorised as measured at amortised cost.

The IFRS 13 *Fair Value Measurement* fair value hierarchy of the Company's financial assets and liabilities as at 30 June 2019, 31 December 2018 and 30 June 2018 is set out below:

Notes to the Interim Condensed Financial Statements (continued)

10. Fair value of financial assets and liabilities by category and fair value hierarchy (continued)

As at 30 June 2019
unaudited

	Level 1	Level 2	Level 3	Total
	PLN	PLN	PLN	PLN
Financial assets				
Cash and cash equivalents	458 025,25	-	-	458 025,25
Receivables from loans	-	202 364 773,56	-	202 364 773,56
Trade and other receivables	-	-	-	-
Total	458 025,25	202 364 773,56	-	202 822 798,81
Financial liabilities				
Debt securities in issue	-	188 894 000,00	-	188 894 000,00
Trade and other payables	-	36 699,50	-	36 699,50
Total	-	188 930 699,50	-	188 930 699,50

As at 31 December 2018
audited

	Level 1	Level 2	Level 3	Total
	PLN	PLN	PLN	PLN
Financial assets				
Cash and cash equivalents	419 875,20	-	-	419 875,20
Receivables from loans	-	203 154 431,85	-	203 154 431,85
Trade and other receivables	-	-	-	-
Total	419 875,20	203 154 431,85	-	203 574 307,05
Financial liabilities				
Debt securities in issue	-	190 426 000,00	-	190 426 000,00
Trade and other payables	-	26 048,00	-	26 048,00
Total	-	190 452 048,00	-	190 452 048,00

As at 30 June 2018
restated
unaudited

	Level 1	Level 2	Level 3	Total
	PLN	PLN	PLN	PLN
Financial assets				
Cash and cash equivalents	360 993,35	-	-	360 993,35
Receivables from loans	-	203 865 986,12	-	203 865 986,12
Trade and other receivables	-	5 833,34	-	5 833,34
Total	360 993,35	203 871 819,46	-	204 232 812,81
Financial liabilities				
Debt securities in issue	-	190 572 000,00	-	190 572 000,00
Trade and other payables	-	16 024,00	-	16 024,00
Total	-	190 588 024,00	-	190 588 024,00

There were no transfers between the levels during the period.

11. Post balance sheet events

There were no events after the reporting date up to the date of the signing the Interim Condensed Financial Statements that would require additional disclosure in the Interim Condensed Financial Statements.

IPF Investments Polska Sp. z o.o. – Interim Condensed Financial Statements in accordance with International Accounting Standard (IAS) 34 15

As at and for the six month period ended 30 June 2019

The notes on pages 7 to 15 are an integral part of these Interim Condensed Financial Statements

MANAGEMENT BOARD REPORT

of

IPF Investments Polska Sp. z o. o.

for the six month period ended 30 June 2019

Management Board Report of IPF Investments Polska Sp. z o.o.
for the six month period ended 30 June 2019

Alicja Kopeć
Board Member

Maciej Mikucki
Board Member

Piotr Cybulski
Board Member

Warsaw, 31 July 2019

Management Board Report of IPF Investments Polska Sp. z o.o.
for the six month period ended 30 June 2019

Dear Shareholder,

This report covers the six month period ended 30 June 2019.

1. General information

IPF Investments Polska Sp. z o. o. (“the Company”) is incorporated in the Republic of Poland. The address of the Company’s registered office is ul. Inflancka 4A, Warsaw.

IPF Investments Polska Sp. z o. o. was established on 8 December 2009. On 21 December 2009 the Company was entered into the Register of Entrepreneurs kept by the Business Department of the National Court Register at the District Court in Warsaw, XII Commercial Division of the National Court Registry, under number KRS 0000344995.

The Company was formed as a special purpose entity for the purpose of raising funds mainly from commercial bonds issue and granting loans to entities owned by International Personal Finance plc (“IPF plc” – a UK-based entity listed on London Stock Exchange and Warsaw Stock Exchange/ “the Group”) to finance their lending business.

As stated in the Company’s Memorandum of Association, the Company’s operation period is indefinite.

The following persons served as members of the Management Board as at 30 June 2019 and as at the date of approval of this report:

Alicja Kopeć	Member since 8 December 2009
Maciej Mikucki	Member since 18 May 2018
Piotr Cybulski	Member since 18 May 2018

During the reporting period and till the date of authorisation of this report there were the following changes in the Management Board composition:

- on 27 March 2019, effective from 29 March 2019, John Dahlgreen resigned from the position of the Management Board Member, which he held since 8 December 2009.

2. Significant events in 2019

Interest coupon payments on bonds

On 3 June 2019 the Company made the eighth coupon payment of PLN 6,024 million on the floating rate bonds from the 2015 issue with the maturity date of 3 June 2020 and total par value of PLN 200 million.

Interest on loans to Provident Polska S.A.

On 3 June 2019 the Company received the eighth interest payment in the amount of PLN 6,124 million.

The loan agreement for PLN 200 million for home credit business financing purposes was concluded in June 2015 with Provident Polska S.A. as a borrower and IPF Plc, IPF Holdings Limited, International Personal Finance Investments Limited, IPF International Limited and IPF Digital Group Limited (entities from the Group) as guarantors. The maturity of the loan and interest payments intervals match those of the commercial bonds issued by the Company.

3. Financial position and result

In the six month period ended 30 June 2019 the Company made a net profit of PLN 98,5 thousand. As at 30 June 2019 the Company's assets consisted of only one loan, which was issued to a related entity for a period of 5 years, with a nominal value of PLN 200 million, which was financed by debt securities in issue in the same nominal amount and with the same maturity.

The Management Board expects that the Company will continue to operate and generate profits in the foreseeable future.

4. Risk arising from financial instruments

The Company follows treasury policies approved by the Group Board. The Company's day-to-day operations are managed by delegated employees of Provident Polska S.A. on the basis of a service agreement.

The treasury policies are designed to manage the main financial risks in relation to funding and investment. These policies ensure that the borrowings and investments are with high quality counterparties; are limited to specific instruments; the exposure to a single counterparty or type of instrument is controlled; and the Company's exposure to interest rate risk is maintained within set limits.

Interest rate risk

The Company is exposed to interest rate risk arising from changes in interest rates on loan receivables and debt securities in issue and therefore seeks to limit its exposure. The interest risk in relation to overnights and deposits is assessed as insignificant, trade receivables and payables are non interest bearing.

Minimisation of the interest rate risk is achieved by the perfect matching of the parameters of loan issued to the Group company with the terms and conditions of the debt securities issued, which means that any changes in market conditions in relation to debt securities in issue are automatically reflected in loan contract conditions. Therefore, if interest rates increased/decreased by 50 bps in the period from 1 January to 30 June 2019 this would have no significant effect on net interest revenue (revenue less interest expense).

Currency risk

In the six month period ended 30 June 2019 and 30 June 2018 the Company was not exposed to any currency risk.

Credit risk

The Company is subject to credit risk in respect of the amounts receivable from loans and the cash held on deposit with banks and its equivalents.

Credit quality of cash deposits is good. They are held only with banks, which meet the criteria set out within treasury policies to ensure the risk of loss is minimised.

The risk of material unexpected credit losses in respect of amounts receivable from loans is limited as the Company lends only to the Group entity and obtained from major holding companies of IPF Group guarantees for the loan agreement. The long-term Fitch Agency credit rating of IPF Group is currently BB (revised outlook from negative to stable), whereas a first-time Ba3 rating with stable outlook has been assigned by Moody's Agency in April.

Liquidity risk

The Company is not subject to the risk that it will not have sufficient borrowing facilities to fund its existing business and its future plans for growth as it has a stable source of finance in the form of debt securities. The nature of the Company's business and its policy is that the term and conditions of amounts receivable from loans are matched with those of debt securities in issue.

5. Anticipated development

The Company was formed as a special purpose entity for the purpose of raising funds, mainly from commercial bond issues, and the provision of finance to entities owned by IPF Plc. Therefore its strategy is to sustain long term finance at levels which meet the needs of the Group.

There are no anticipated changes to the nature of the Company's activity over the foreseeable future.

**IPF Investments Polska Sp. o.o.
MANAGEMENT BOARD STATEMENT**

**in relation to the Interim Condensed Financial Statements and the Management
Board Report of IPF Investments Polska Sp. z o.o.
as at and for the six month period ended 30 June 2019**

The Management Board of IPF Investments Polska Sp. z o.o. hereby confirms that according to their best knowledge the attached Interim Condensed Financial Statements as at and for the six month period ended 30 June 2019 and the comparative data have been prepared in accordance with the applicable accounting principles and they present a true, fair and clear view of the property and financial situation of IPF Investments Polska Sp. z o.o. and its financial result. The Management Board also confirms that the Management Board Report for the six month period ended 30 June 2019 presents a true picture of the development and achievements and the situation of IPF Investments Polska. Sp. z o.o., including a description of main threats and risks.

Alicja Kopeć
Board Member

Maciej Mikucki
Board Member

Piotr Cybulski
Board Member

Warsaw, 31 July 2019