

**Report of the
Management Board of
LM PAY SPÓŁKA AKCYJNA**

From activities for the period 01.01.2024 - 31.12.2024.

1. General information

LM PAY Limited Liability Company was established by a Notarial Deed dated 24.04.2014.

The Company is registered in the National Court Register kept by the District Court for the City of Warsaw, XIV Economic Department of the National Court Register, under the KRS number 0000940085.

The Company has been assigned the statistical number REGON 147327804 and NIP 522-30-17-773. The Company's registered office is located at 23a Lechicka Street, Warsaw (02-156).

2. Shareholders and share capital

As of the balance sheet date, the Company's share capital amounts to PLN 3,103,895.00 and is divided into 620,779 shares with a par value of PLN 5.00.

		Number of shares	Number of votes	Nominal value of shares	Share in the share capital
MEDICAL GROUP SA	FINANCE	416 973	416 973	2 084 865,00	67,17%
Other shareholders		203 806	203 806	1 019 030,00	32,83%
Total		620 779	620 779	3 103 895,00	100,00 %

3. Company's performance in fiscal year 2024

a) During the Fiscal Year, the Company reported:

Data in PLN	2023	2024	Dynamics
net operating income	17 518 455,33	22 753 008,78	29,9%
operating profit	193 658,24	7 002 047,34	3515,7%
financial income	5 325 705,80	4 850 293,38	-8,9%
operating expenses	16 762 257,37	14 486 317,01	-13,6%
financing costs	8 442 941,38	12 402 993,18	46,9%
net profit/loss	-2 401 727,39	70 814,01	

At the end of 2024, the Company had cash in the amount of PLN 789,129.61. The Company's liquidity is not at risk due to having high other short-term investments in the form of granted loans which amounted to PLN 44,382,370.99 at the end of 2024.

In 2024, the company maintained a stable financing structure. At the end of the fiscal year, the Company's long-term liabilities amounted to PLN 61,139,745.59, while current liabilities amounted to PLN 36,794,189.35.

b) Evaluation of achieved results and basic financial indicators

In the Fiscal Year, the Company achieved revenues of 22.7 million zlotys and an operating result of 7 million zlotys. There was an increase of almost 30% in revenue compared to 2023, while the operating result increased by thirty-six times. The Company's assets amounted to PLN 141.9 million, the value of liabilities was PLN 102.6 million.

c) key financial performance indicators related to the entity's operations

Data in PLN	2022	2023	2024	2023/2022 (%)	2024/2023 (%)
Net income	15 053 680,20	17 518 455,33	22 753 008,78	16,4%	29,9%
Depreciation	59 254,48	176 185,03	296 831,31	197,3%	68,5%
Operating profit	3 695 525,68	193 658,24	7 002 047,34	-94,8%	3515,7%
EBITDA	3 754 780,16	369 843,27	7 298 878,65	-90,2%	1873,5%
Net profit	97 310,32	-2 401 727,39	70 814,01	nd	nd
Total assets	111 798 650,60	122 243 985,98	141 374 960,29	9,3%	15,6%
Current assets	36 659 077,69	69 822 588,47	92 271 481,62	90,5%	32,2%
Financial liabilities	64 947 750,32	76 162 893,46	96 657 550,13	17,3%	26,9%
Current liabilities	8 862 043,01	9 865 227,58	36 794 189,35	11,3%	273,0%
Number of loans sold (pcs)	33464	40436	47086		
Value of loans granted (capital)	64 423 237	75 186 736	102 202 343	16,7%	35,9%
Operating profitability	24,5%	1,1%	30,8%		
EBITDA profitability	24,9%	2,1%	32,1%		
ROA	0,1%	-2,0%	0,1%		
Current Ratio	4,1	7,1	2,5		
Fixed capital/assets	1,34	2,08	2,02		

d) key non-financial performance indicators related to the entity's operations**i) Process efficiency**

The processes implemented with Medipay and Mediraty products are characterized by very high efficiency. In the case of Medipay, a quick decision and finalization of the transaction take place almost immediately thanks to a high degree of automation - without the need for additional resources or contact with customer service. Mediraty, on the other hand, despite a more personalized approach and telephone contact, also allows for quick initiation of financing, thanks to clear procedures and simplified verification. Both models ensure that the entire process is comfortable for both the facility and the customer.

ii) Social commitment and responsibility

At LM PAY, we attach great importance not only to operational efficiency, but also to the impact we have on those around us. Several times a year, we initiate and support charitable activities, such as organizing collections for local shelters or supporting campaigns targeting children and disadvantaged people. Cooperation with the community is a natural part of our organizational culture - based on empathy, responsibility and active response to the needs of others.

iii) Quality of service:

On the profile of LM PAY S.A. on Google, there are about 1 thousand ratings and reviews of services - the average rating is 4.6 /5.

Customers are served by telephone consultants. The hotline is available Monday through Friday 8 am - 8 pm and Sat. 9 a.m. to 2 p.m. An additional communication channel is Messenger linked to the company's Facebook account and a callback on the website.

A dedicated department is responsible for the quality of service, which analyzes reported problems on an ongoing basis and is responsible for resolving them.

The number of complaints is generally at a b. low level, about 10 per month, and 10-15 requests to remove an inquiry from the BIK.

iv) Brand Awareness:

The company monitors online opinions in-house and uses media monitoring (in cooperation with a PR agency). Research on the level of brand awareness and image is not carried out. In 2024, the website was visited by about 80-100 thousand unique users per month. We maintain product accounts on social media: Instagram (2.7 thousand followers), Facebook (7.4 thousand followers), LinkedIn, YouTube.

The following is an overview of the Company's social media activity in 2024.



Figure 1: Comparison of reach on Instagram in 2024.

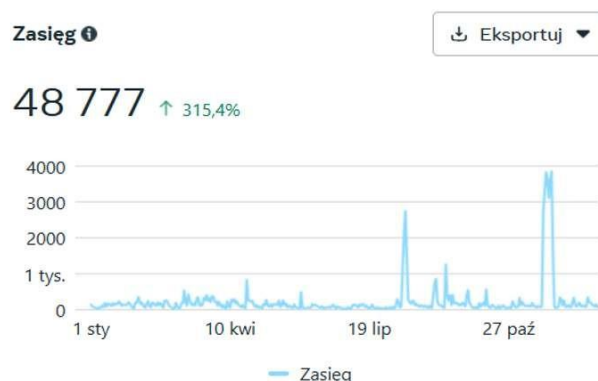


Figure 2: Comparison of reach on Facebook in 2024

In 2024, we saw a significant increase in reach on social media channels - over **300% y/y on Facebook** and an impressive **14,000% y/y on Instagram**. Social media is becoming a strategic channel for the Company to communicate with both clients and staff in partner offices, especially in the beauty industry. The leading role is played by Instagram, on which we are intensifying content activities. We are developing in-house expertise in video creation - involving service staff and salespeople - which allows us to effectively build relationships, strengthen our image and **stand out from our competitors** in the lending sector. Thanks to this activity, we are perceived as a **communication leader in social channels** in our category.

e) employment information

In 2024, the company employed 29 people on contract and contract labor. In 2023, it was 32 people, respectively. The change is due to the desire of those on contract to start their own businesses. The company is flexible in terms of forms of employment and cooperation. We adapt to the current needs and supply of the labor market. We provide our employees and partners with private health care, and for the physically active we also provide multisport packages upon request.

f) Information on the acquisition of treasury shares

The Company did not purchase any treasury shares during the Fiscal Year.

g) Information on branches (plants) owned by the entity

In 2024, after nearly a year's reconnaissance of the loan market in the developing countries of Central and Eastern Europe, the company decided to expand into those markets. As a first step, the decision was made to start the process of opening a foreign branch of LM PAY in Romania. For this purpose, in January 2024, an inquiry was sent to the Romanian supervisor about the form of lending business in Romania. In June 2024, a contract was signed with MFP Lawyers to provide legal services for the registration of the branch in Romania and the process of obtaining the branch's license (registration on the list of non-bank financial institutions maintained by the National Bank of Romania (NBR) - the supervisor). In September 2024, a contract was signed with Flexible Office Space SRL for virtual office services. Registration of the Branch with the Romanian KRS took place in November, and at the end of December a license application was submitted to the National Bank of Romania for entry in the general register of non-bank financial institutions.

4. Other information

a) Research and Development

During the Fiscal Year, the Company was not involved in research and development activities.

b) Other Significant Events in the Fiscal Year

In the opinion of the company's management, the company's operations in 2024 were not affected by significant events in both the external and internal environment.

c) Impact of the Company's operations on the environment

The Company's operations have no direct impact on the environment.

d) Significant events after the end of the Fiscal Year

Significant events after the end of the Fiscal Year did not occur

5. Future situation of the Company

a) Indication of risk factors and description of threats to the Company's operations

In 2025, the Company's management expects dynamic sales growth. The Company is developing and improving its product lines, as well as activating and expanding its distribution network in the form of offline and online segments. In 2024, compared to 2023, we have lowered credit risk, resulting in a reduction in the amount of write-downs of loans granted, and the Management Board expects this trend to continue in future years as well.

b) Anticipated development of the unit in the future

The company attaches great importance to social media as a very important tool for communicating with customers and investors.

The company's management expects to grow the company by increasing the scope and scale of operations aimed at improving EBITDA.

Since January 2024, in accordance with European Union directives, the activities of loan companies are subject to supervision by the relevant institution, which in the case of Poland means the Financial Supervision Commission.

Accordingly, LMPAY S.A.'s operational business of lending is controlled and supervised by a state institution, on a par with banks. This fact contributes to making LM PAY S.A. a credible and transparent entity.

c) Projected financial situation

The company's management plans to increase its bottom line by increasing the scope and scale of its operations.

The company, by adapting its product offerings to current customer needs, expanding and simplifying procedures, plans to increase the value of its loans and increase sales revenue.

6. Information on financial instruments used for risk management

The company does not perform hedge accounting. The company's main financial risk is credit risk and, in the opinion of the Board of Directors, through appropriate measures, does not significantly affect results. The company tracks, and reacts on an ongoing basis to changes in market interest rates, and minimizes costs by appropriately matching financing costs, with interest income.

Warsaw, 26.06.2025 For the

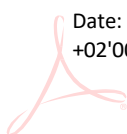
Management Board

Jakub Czarzasty - Chairman of the Board

Jakub Czarzasty

Electronically signed by
Jakub Czarzasty

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Olga Gójska - Board Member

Olga Gójska
Slawomir Bielec – Board Member

Electronically signed by Olga Gójska
Date: 2025.06.26 08:45:00 +02'00'

Slawomir Bielec

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by Slawomir Bielec
Date: 2025.06.26
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