



KREDYT INKASO SA

**Presentation of Q1
results ended
30 June 2021**

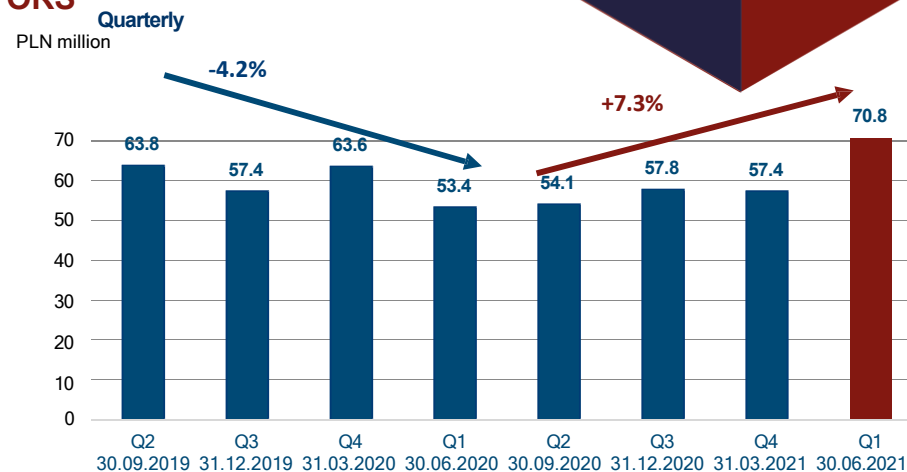
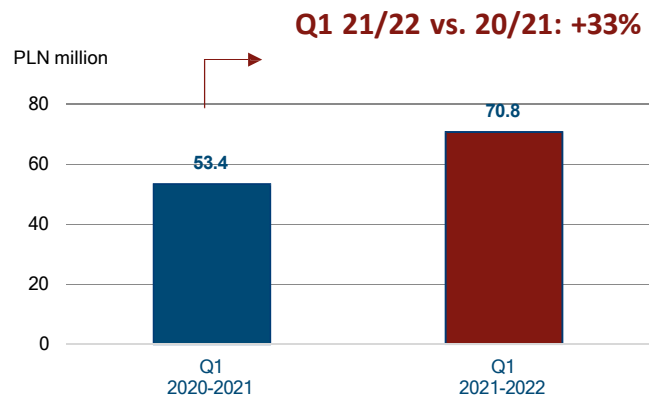
Warsaw, 31 August 2021

KEY INFORMATION

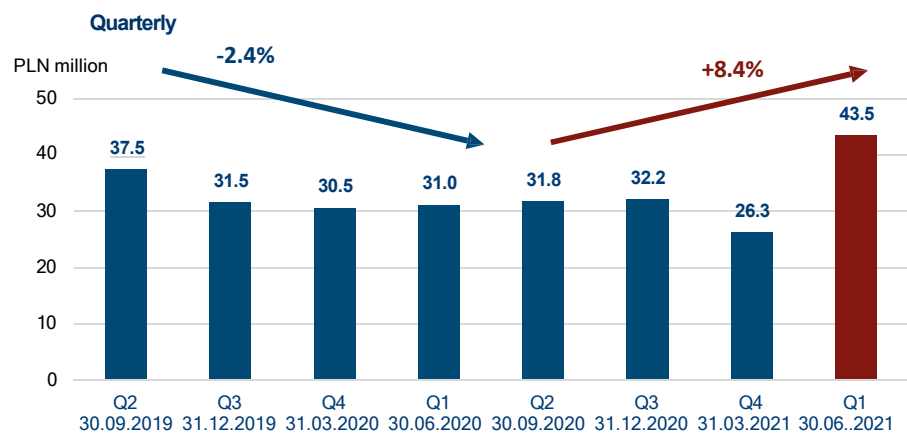
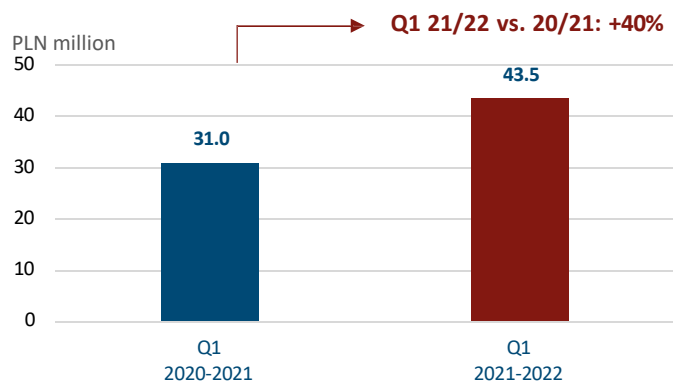
- 1Q 2021 brought record-breaking results in the history of the Company:
 - debt collections: PLN 70.8 million, + 33% y/y
 - Cash EBITDA: PLN 43.5 million, + 40% y/y
- Net revenues: PLN 46.4 million, + 25% y/y
- Net profit: PLN 6.5 million, + 104% y/y
- Measurable effects of changes in operations implemented from mid-2020.
- Reversal of the negative rate of growth of collections from the pandemic period (growth dynamics of 7.3% in the last four quarters)
- Further decrease in debt ratios
- The Polish Financial Supervision Authority approved the prospectus - preparations for the issue of bonds

KEY RESULTS – p. 1

GROSS COLLECTIONS BY DEBTORS

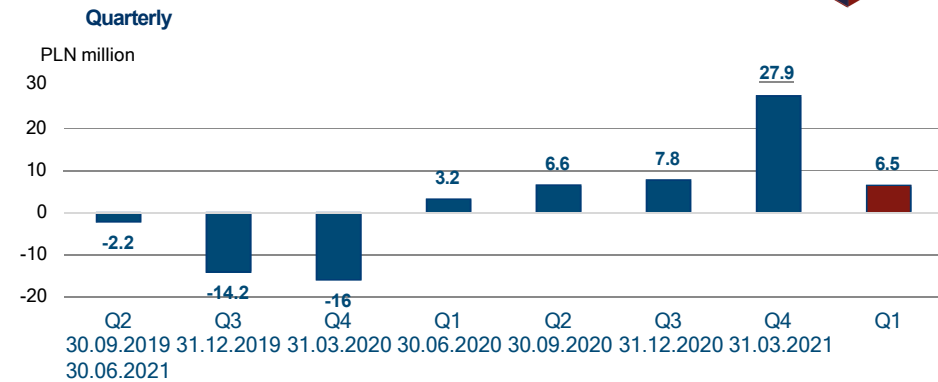
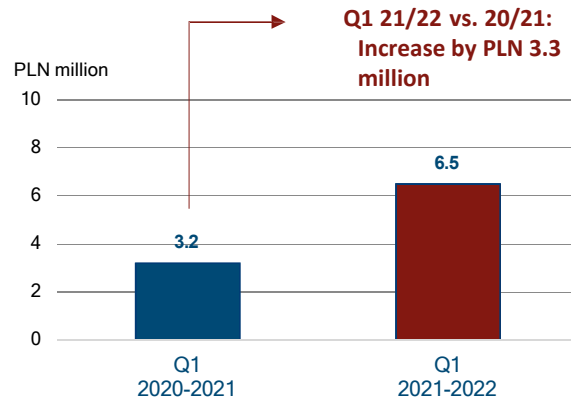


CASH EBITDA

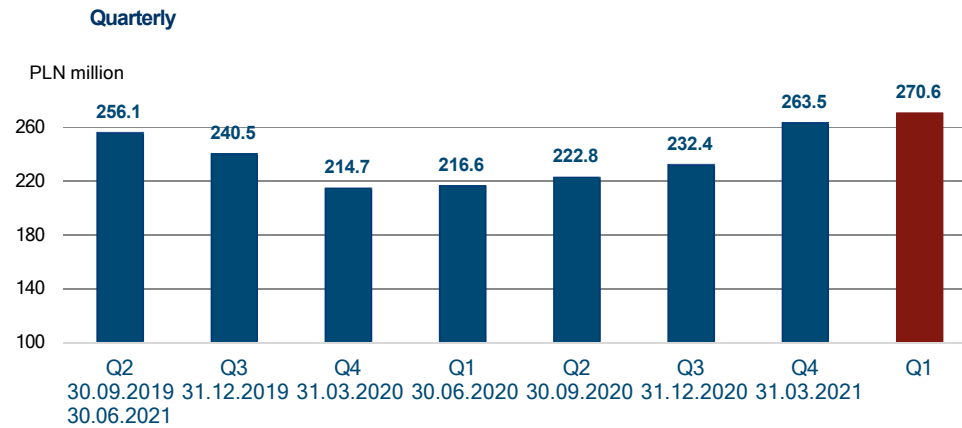
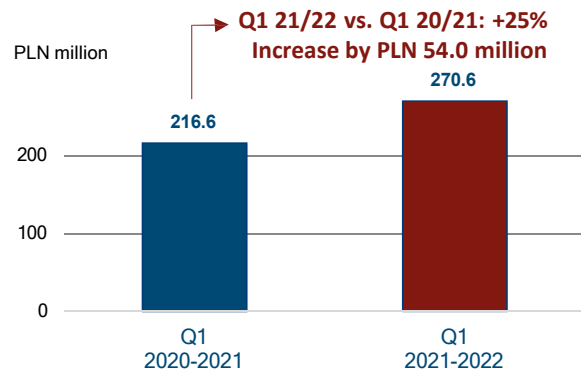


KEY RESULTS – p. 2

NET PROFIT / (LOSS)



CONSOLIDATED EQUITY

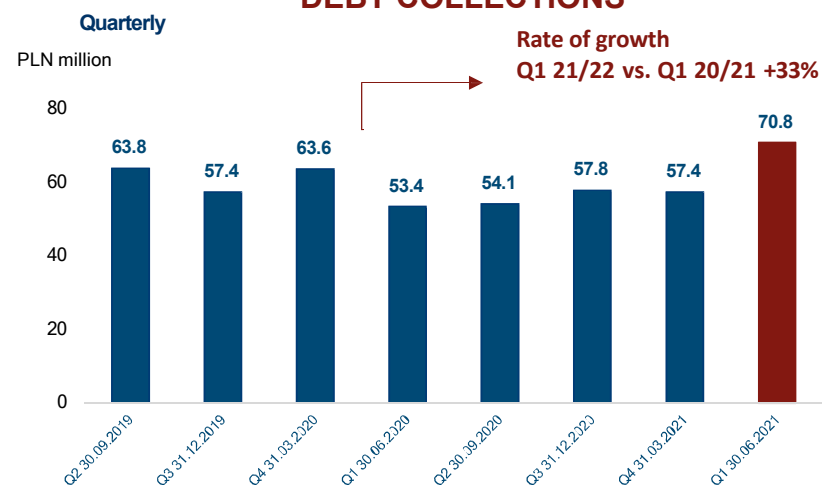


RECORD-BREAKING COLLECTIONS

- Good dynamics of collections is the result of increased operational efficiency:
 - Changing the organisational structure and strengthening the managerial staff – synergy of cooperation between experts recruited from the market and experienced KISA staff.
 - **Continued optimisation of debt collection strategies, improvement of operational process management methodology and development of more effective management tools**
 - **Further development of advanced data analytics.**
 - **Implementation of technological changes related to safety and process efficiency.**
 - Initiation of the internationalisation process – exchange of solutions and know-how between foreign companies of the Capital Group.
- **Room for further process and technological improvements.**
- **Operational readiness to service new portfolios.**
- **GOAL – Continuation of the good trend in our operating activities.**



DEBT COLLECTIONS



Record-breaking level of collections in Q1 21/22 in the history of Kredyt Inkaso Group

at PLN 71 million compared to PLN 57 million in Q4

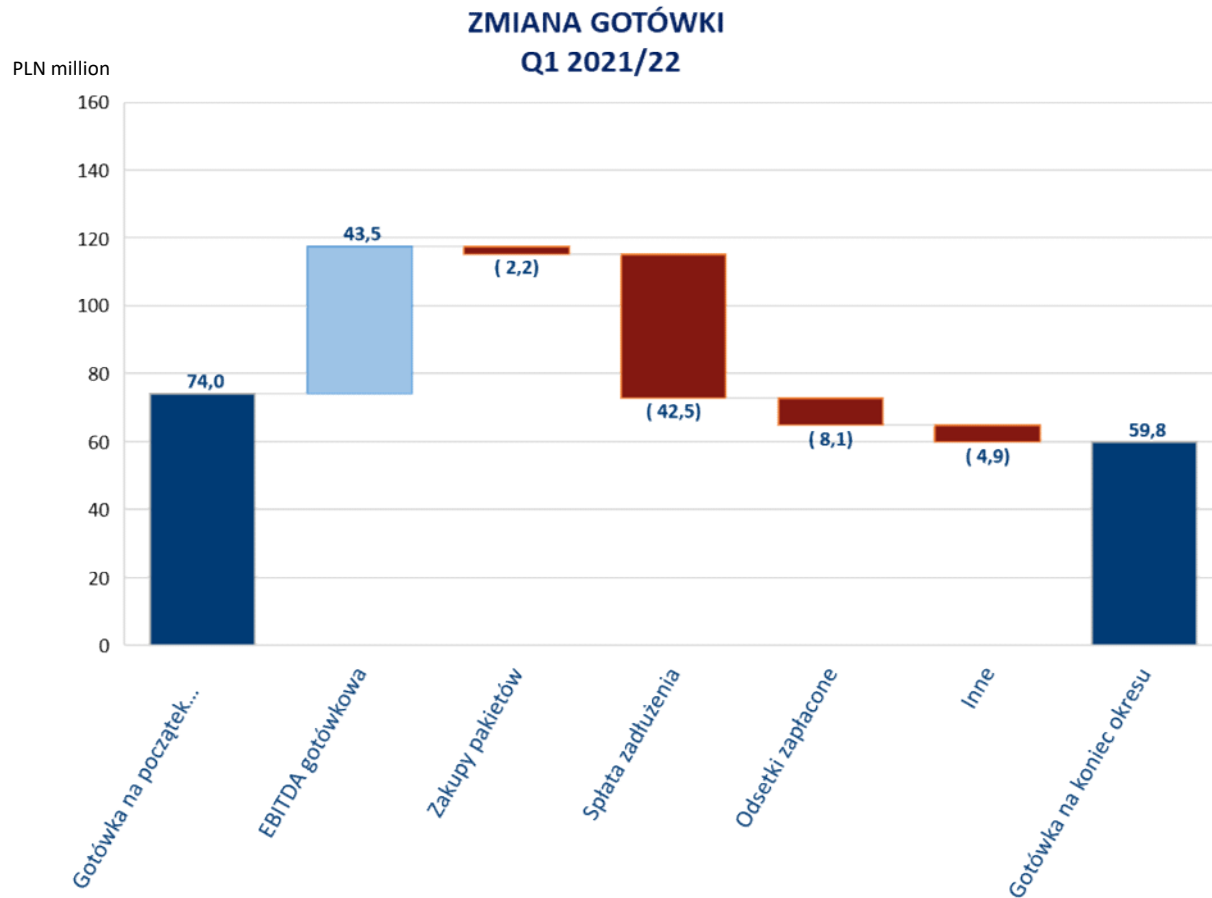
- increase in collections from historically purchased portfolios - consistent optimisation of the strategy and operating activities.
- good result despite no significant investment in new portfolios.
- no one-off events.
- less severe effects of the pandemic – favourable financial situation of debtors and the level of unemployment.

PROFIT AND LOSS ACCOUNT

PLN thousand				Change (%)
	Q1 2021/2022	Q1 2020/2021	FY 2020/2021	Q1 / Q1
Interest revenues	31,876	32,444	125,622	-2%
Revaluation of portfolios	13,394	2,679	68,584	400%
Other net revenues	1,080	1,849	6,095	-42%
Total net revenues	46,350	36,972	200,301	25%
Total operating costs	(30,044)	(25,872)	(113,887)	16%
Depreciation and amortisation	(1,682)	(1,825)	(6,457)	-8%
Remunerations, social insurance contributions and other benefits	(10,683)	(10,213)	(41,223)	5%
External services	(8,966)	(9,200)	(37,344)	-3%
Taxes and charges	(315)	(536)	(1,852)	-41%
Consumption of materials and energy	(284)	(203)	(1,272)	40%
Other costs by type	(387)	(908)	(1,526)	-57%
Court and enforcement fees	(7,727)	(2,987)	(24,213)	159%
Other expenses	(1,682)	(1,825)	(6,457)	-8%
Profit (loss) on operating activities	16,306	11,100	86,414	47%
Net financial costs	(9,504)	(7,658)	(30,768)	24%
Profit (loss) before tax	6,802	3,442	55,646	98%
Income tax	(274)	(241)	(10,186)	14%
Net profit (loss)	6,528	3,201	45,460	104%

- **Increase in quarterly net revenues y/y + PLN 9.4 million (+25%), mainly as a result of:**
 - revaluation of portfolios + PLN 10.7 million y/y
 - In the quarter +13.4 million
 - Higher actual collections + PLN +19.4 million
 - Verification of projections -4.0 million PLN related to the update of the portfolio collection curves of +19.4 million PLN
 - Negative exchange rate differences - PLN 2.3 million
 - Extension of forecasts for the next quarter + PLN 0.3 million
- **Increase in operating expenses y/y by PLN 4.2 million (16%), solely as a result of:**
 - increase in the costs of court and enforcement fees by PLN 4.7 million
- **Net profit y/y: PLN 3.3 million, i.e. 104% – significant increase. PLN 6.5 million in the quarter.**

CHANGES IN CASH



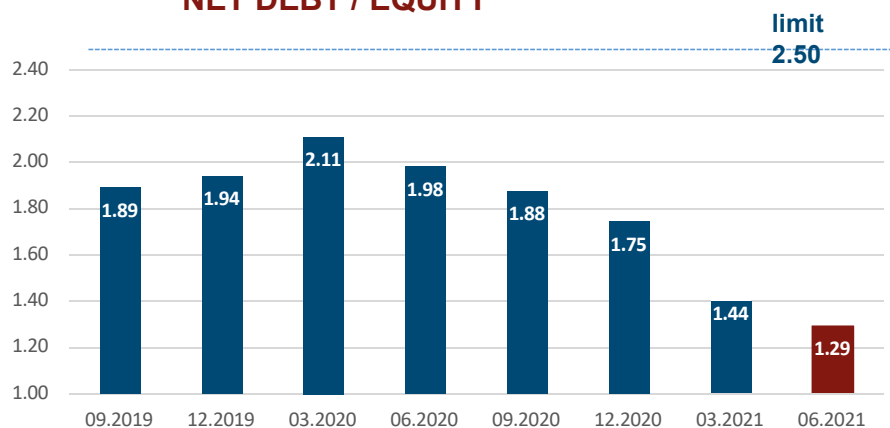
Significant cash changes

- Cash EBITDA PLN 43.5 million
- Collections of debt PLN 42.5 million
- Interest repayment PLN 8.1 million

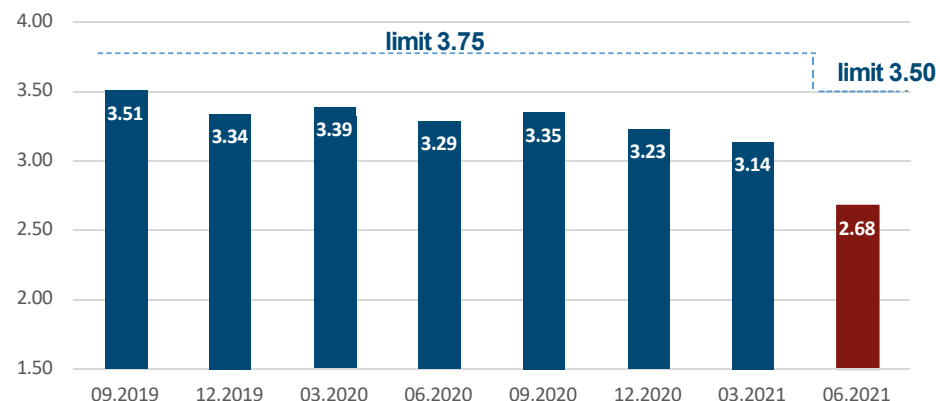
DEBT RATIOS



NET DEBT / EQUITY



NET DEBT / \$EBITDA



- Further decrease in debt ratios
- Modification of covenants approved by bondholders
 - The maximum ND/\$ EBITDA ratio will be increased from 3.50 to 3.75 provided that a minimum of PLN 50 million is incurred for investments (“New Debt”) – currently 2.68

ND/Equity ratio unchanged 2.5 – **currently 1.29**

Gross debt - PLN 409.4 million

Net debt - PLN 349.7 million

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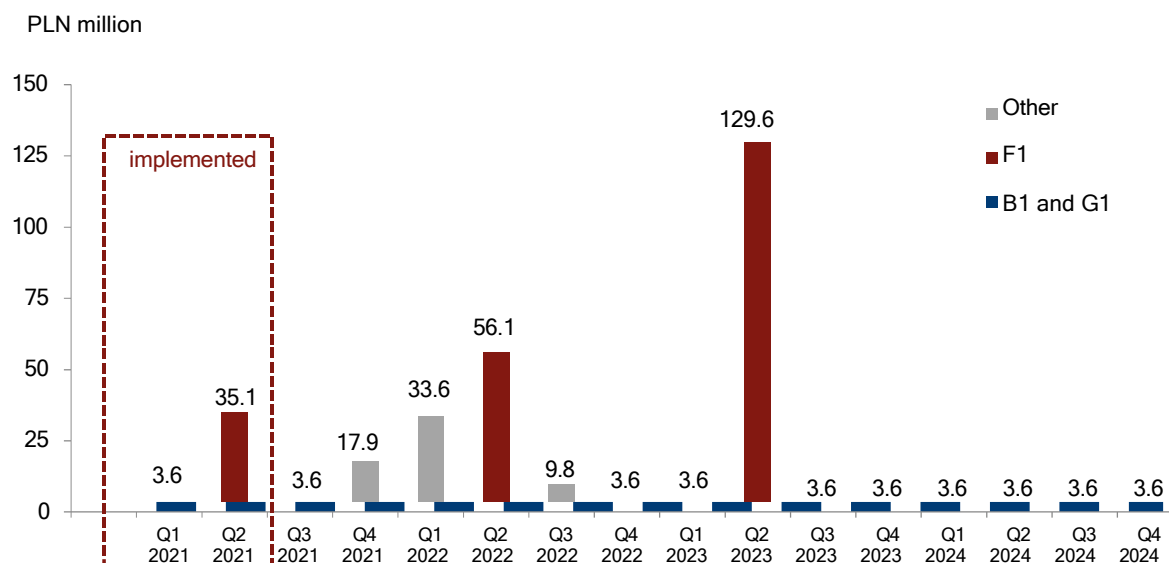
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FINANCIAL DEBT – STRUCTURE



Bond repayment plan – calendar year



- PLN 111.2 million remains to be repaid in the next 4 quarters
- as at 30 June 2021, the Group had PLN 59.8 million in cash
- in the last quarter, the Group generated PLN 43.5 million in cash EBITDA

Key events March–July 2021:

- 13 March 2021 PLN 3.6 million repayment of depreciation B1 and G1
- 26 April 2021 PLN 31.5 million repayment of depreciation F1
- 13 June 2021 PLN 3.6 million repayment of depreciation B1 and G1
- 2 July 2021 change of covenants F1, B1, G1

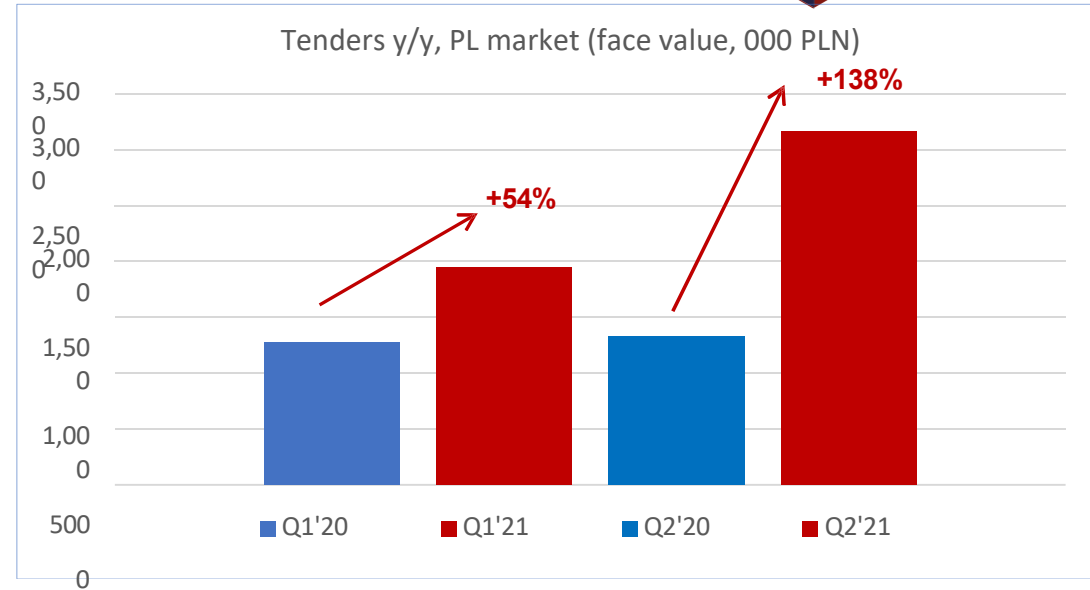
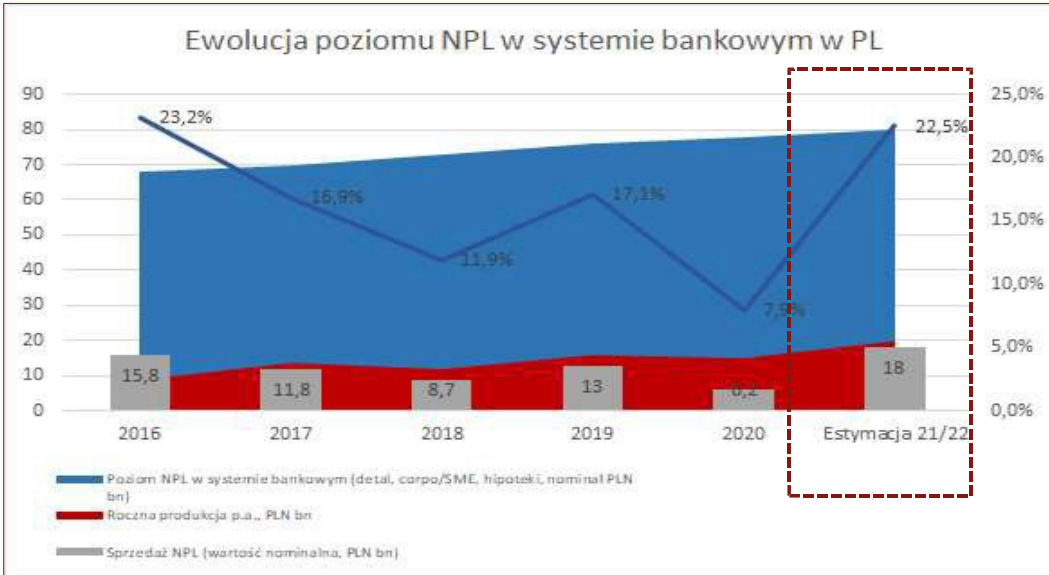
CORPORATE MATTERS



KREDYT INKASO SA

- On 23 August 2021, the Company was served with a lawsuit filed on 22 June 2021 by the company's shareholder - John van Kannel to the District Court in Warsaw. The lawsuit contains a request for annulment of resolution No. 12/2021 of the General Meeting of the Company of 24 May 2021 on the appointment of Daniel Dąbrowski as a member of the Supervisory Board of the Company.
- The Company deems the requests stipulated in the lawsuit as completely unfounded and intends to defend against them by actively participating in court proceedings.
- The Company indicates that the lawsuit is based on the same grounds as the previous lawsuit of the same claimant regarding ZWA on 27 November 2020. In the previous proceedings, the claimant's application for securing the claim was legally dismissed in its entirety, in line with the company's position. In the present lawsuit, the claimant did not file an application for securing the claim at all.

RECEIVABLES MARKET



2020

- 50% decrease in sales of receivables
- Increase in overdue receivables in banks' portfolios

Q1 and Q2 2021

- Increase in the volume of tenders on the PL market after 2 quarters to the level of PLN 5 billion, i.e. by 100% y/y

Second half of 2021 and 2022

- Expected increased supply of receivables on the PL market
- The situation in the remaining IC geography is similar, we expect a supply of over PLN 20 billion, mostly from the banking market

SUMMARY



KREDYT INKASO SA

- A record-breaking quarter in terms of recoveries despite the lack of significant investments.
- Reversal of the negative rate of growth of collections during the pandemic period (+ 7.3% in the last four quarters).
- No noticeable impact of the pandemic on the recovery and functioning of the Company.
- Visible effects of changes in operations implemented progressively from mid-2020, further actions ongoing
- The tenth consecutive quarter of falling debt, net debt fell by PLN 191 million during the period (to PLN 350 million).
- The Polish Financial Supervision Authority approved the prospectus - preparations for public bond issue, it is one of the five approved bond prospectuses on the market:
 - The planned new bond issues will not be higher than the currently planned repayment of debt under credits and bonds (PLN 118 M in FY 21/22 and PLN 101 M in FY 22/23)
 - New cash will be used for investments
 - Gross financial debt will remain at the level of approx. PLN 450 million.
 - Debt ratios will stabilise or decline.
 - The emissions are planned for the fourth quarter of 2021.



**Thank you for
your attention**

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