



KREDYT INKASO

Miejsce dobrych rozwiązań

Financial results of the Kredyt Inkaso Capital Group for the financial year **2022/2023**

17 July 2023



The presented material has been prepared for informational purposes only and should not be considered as an offer or recommendation to enter into any transaction, does not constitute any investment, legal or tax advice, nor is it an indication that any investment or strategy is suitable for an investor's individual situation. Investing in financial instruments, including bonds, involves the risk of losing some or all of the money invested. Investors should get their own independent advice before deciding to make an investment. The investor uses the information contained in this material at his own risk and responsibility.

Agenda

1. Summary of the year 2022/2023
2. Financial and operating results
3. Financial situation
4. Corporate situation
5. Market environment
6. ESG at the Kredyt Inkaso Capital Group
7. Summary and growth potential

KI CG - important figures



22 years

industry activity in Poland **16 years** on **GPW**



547

employees in 4 markets
PL, RO, BLG, RUS



> 10 years

experience in 5 CEE markets
PL, RO, BLG, RUS, CRO



nearly PLN 1.5 billion

bonds issued,
of which nearly **PLN 1.3 billion**
already redeemed



> PLN 1 billion

investments in portfolios
(historically)



> PLN 2.3 billion

payments in own portfolios
(historically)



PLN 1.2 billion

ERC from own portfolios
>**1.5 million** receivables handled



PLN 594 million

book value of own portfolios



PLN 323 million

equities

1 Summary of the year 2022/2023



Record payments from own portfolios **PLN 317.5 million**

in 12M (+14% y/y), PLN 83.4 million in Q4 2022/2023 (+21% y/y)



High proportion of payments from older portfolios - continuous improvement in operational efficiency

83% of recoveries in 2022/2023 came from portfolios purchased before 04.2020 - maintained stable level of recoveries despite aging portfolios



Dynamic return to investment in new portfolios - **PLN 119.9 million**

in 12M (+238.3% y/y), noticeable effects of new purchases will appear in subsequent periods



Securing financing for further development - credit limit and bond issues

Increase in investment credit limit from PLN 140 million to PLN 200 million

Prospectus to PLN 100 million valid until 16 February 2024

Success of M1 (PLN 15 million, 11% reduction in subscriptions) and N1 (PLN 18 million, 38% reduction in subscriptions) bond issues



Maintenance of safe debt levels

(net debt/equity 0.89; net debt/cash EBITDA 1.71)

Most important financial information for 2022/2023

Payments from acquired portfolios

PLN 317.5 mln

(+14% y/y)

Cash EBITDA¹

PLN 174.6 mln

(+8% y/y)

Net profit

PLN 23.2 mln

(-24% y/y)

ERC

PLN 1,230 mln

(+14% y/y)

Net debt/equity

0.89

(-0.05 y/y)

Net debt/cash EBITDA

1.71

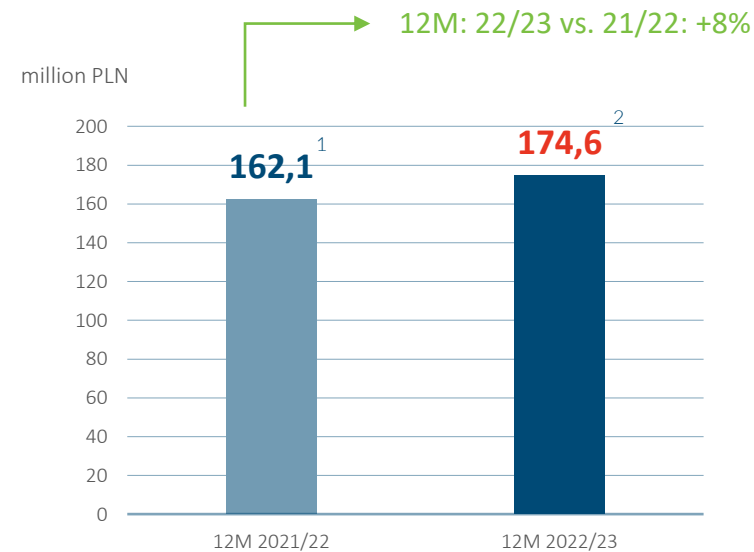
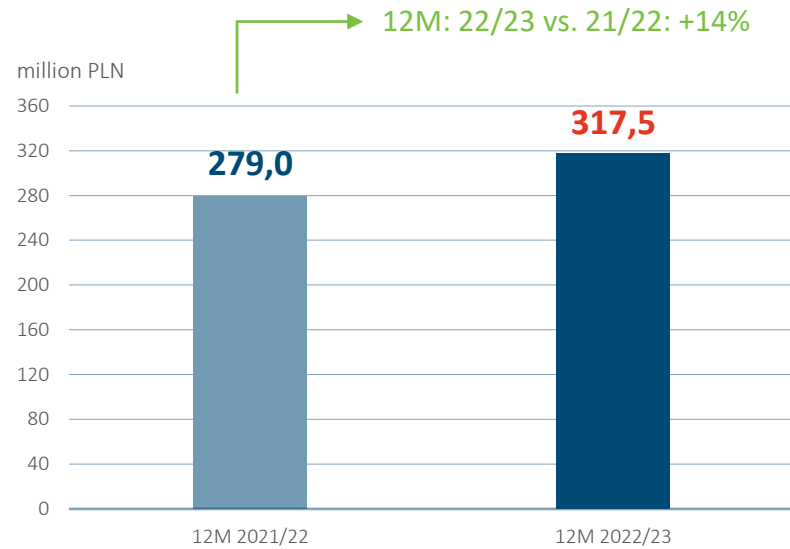
(-0.08 y/y)

The financial data for previous reporting periods presented in this presentation have been restated due to the correction of errors described in Note 2.8.1. of the Annual Consolidated Financial Statements of the Kredyt Inkaso Capital Group for the 12-month period ended 31 March 2023.

¹ Cash EBITDA = Operating profit/(loss) + depreciation of property, plant and equipment and intangible assets - interest income from purchased receivables - revaluation of purchased receivables + repayments from purchased receivables;
after adjusting for non-cash effect of provision related to KIRUS tax audit (PLN 5.7 million)

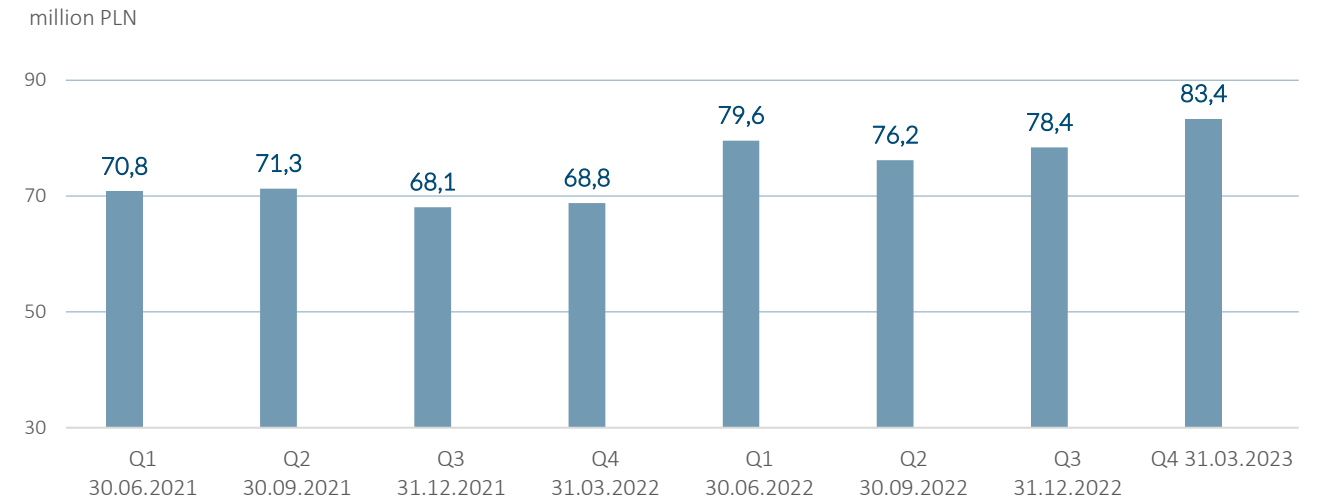
2 Financial and operating results

Key Results I

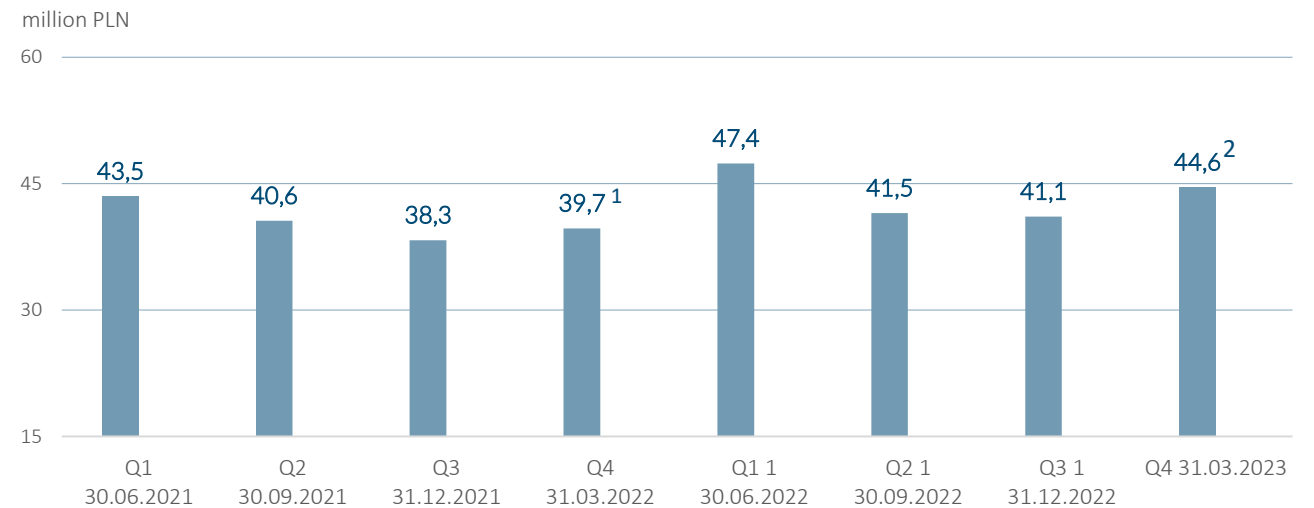


Presentation of results for the reporting period ended 31 March 2023.

PAYMENTS FROM ACQUIRED PORTFOLIOS



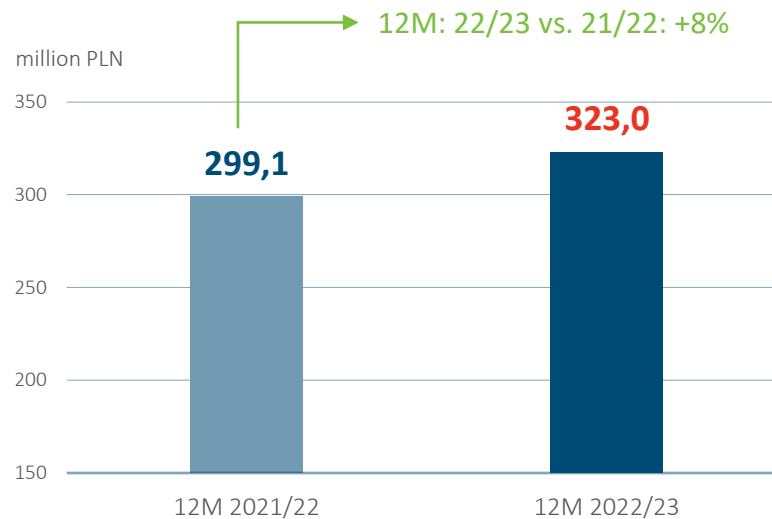
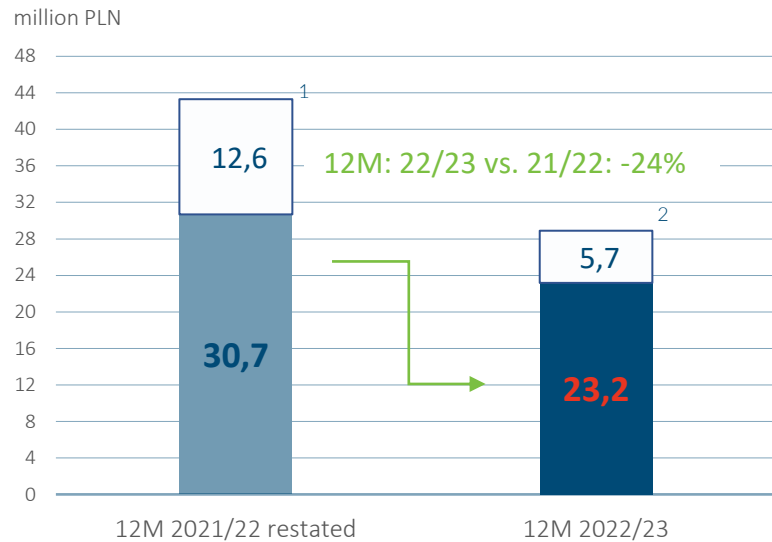
CASH EBITDA



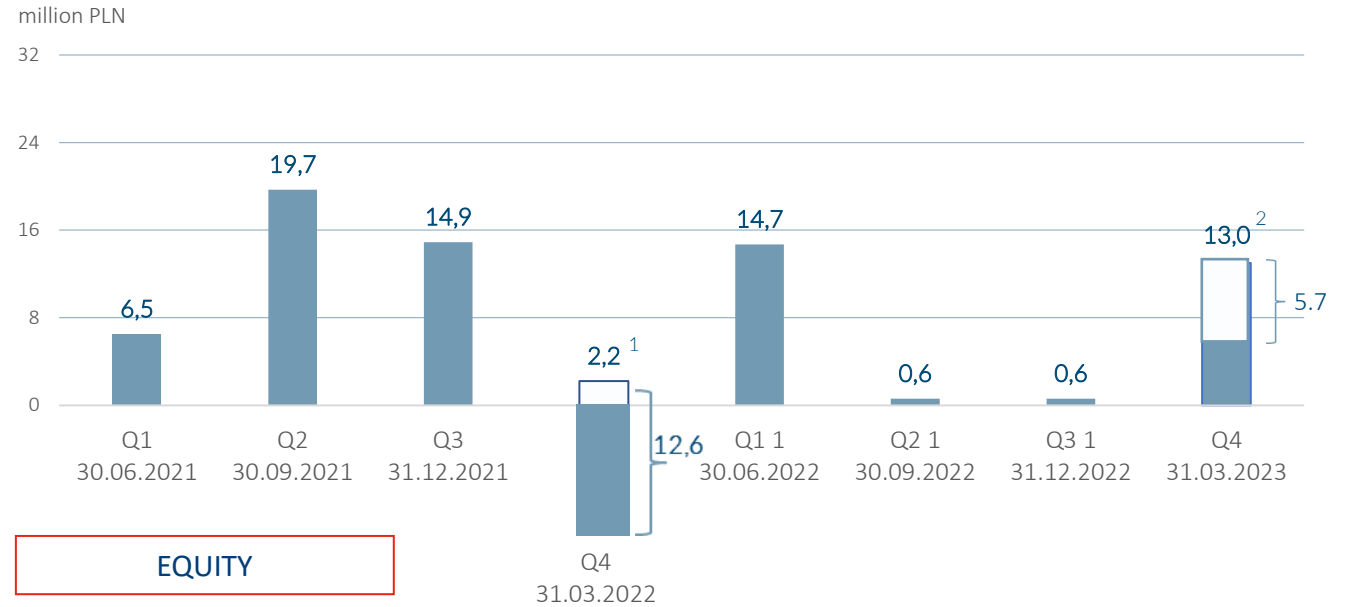
¹ After adjusting for non-cash allowance for KI RUS

² After adjusting for the non-cash effect of the provision related to the KIRUS tax audit

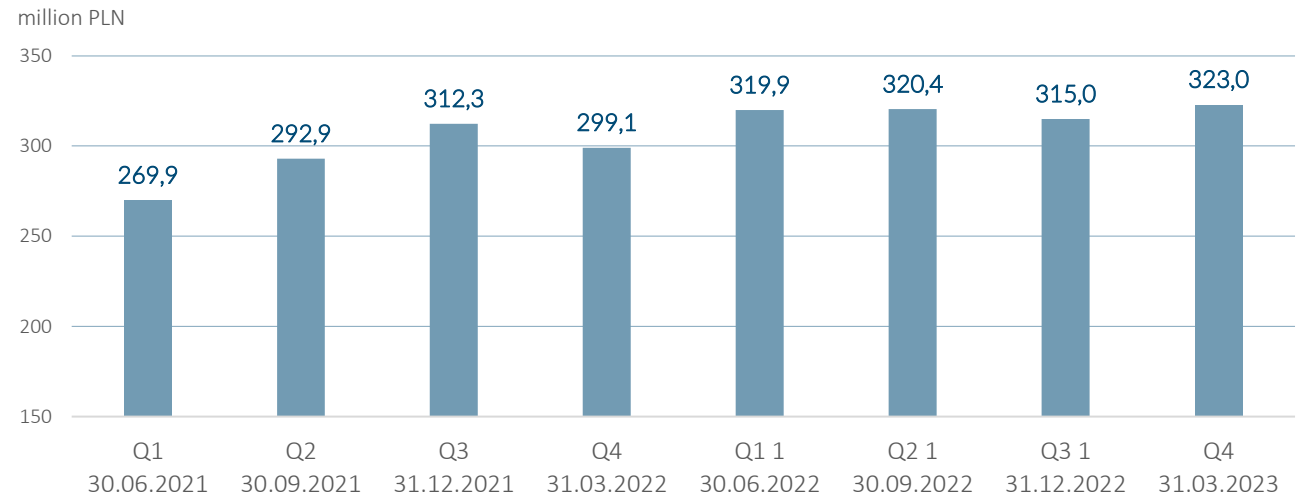
Key Results II



NET PROFIT (LOSS)



EQUITY



¹ After adjusting for non-cash allowance for KI RUS

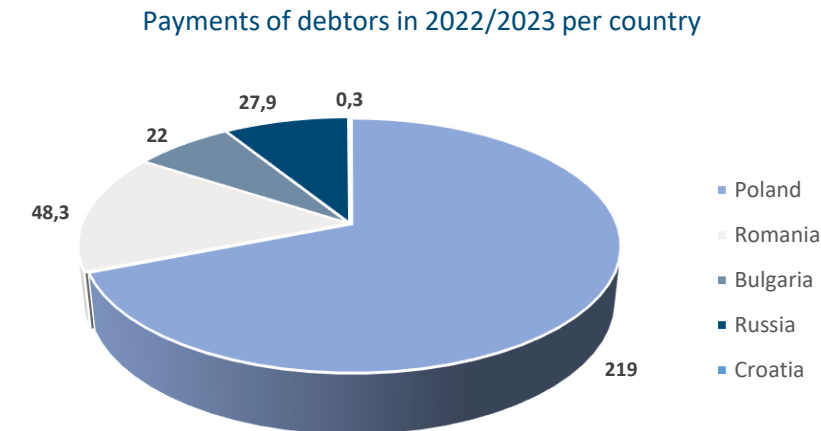
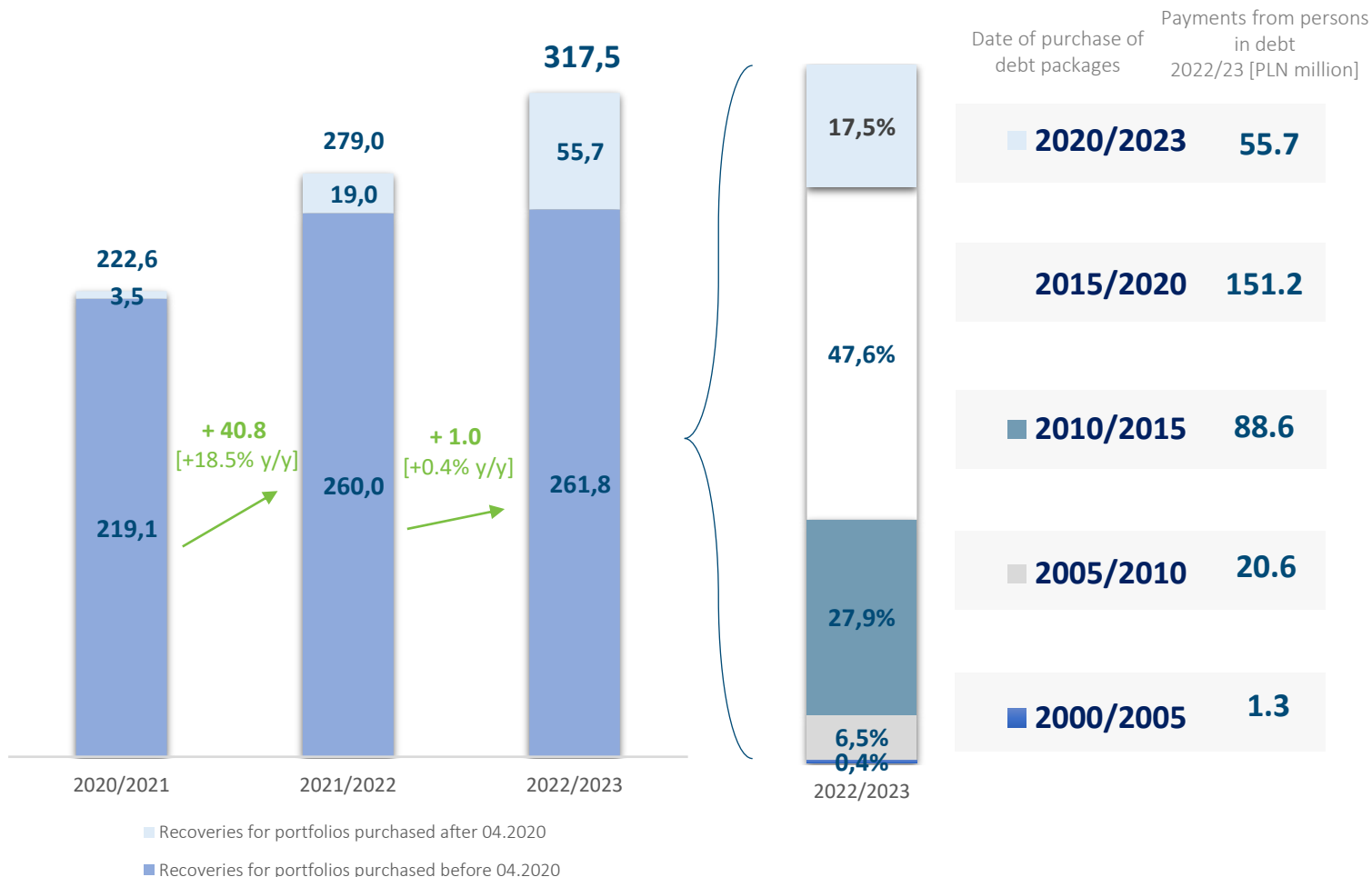
² After adjusting for the non-cash effect of the provision related to the KIRUS tax audit

Income statement I

PLN thousand	12M 2022/23	12M 2021/22 restated	Change (%)	Q4 2022/23	Q3 2022/23	Q2 2022/23	Q1 2022/23	Q4 2021/22 restated	Q3 2021/22	Q2 2021/22	Q1 2021/22
Payments	317,503	278,990	14%	83,350	78,398	76,151	79,604	68,775	68,116	71,323	70,776
Cash EBITDA	168,886	157,246	7%	38,914	41,094	41,521	47,357	34,832	38,311	40,609	43,494
Interest revenues	121,224	120,178	1%	32,582	29,515	29,503	29,624	27,845	31,200	29,257	31,876
Revaluation of packages	93,619	71,024	32%	30,167	19,857	17,787	25,808	5,043	19,376	33,211	13,394
Other net revenues	3,899	6,915	-44%	2,270	1,176	(662)	1,115	4,079	1,217	539	1,080
Total net revenues	218,742	198,117	10%	65,019	50,548	46,628	56,547	36,967	51,793	63,007	46,350
Remunerations, social insurance	(54,406)	(48,106)	13%	(14,833)	(14,071)	(13,029)	(12,473)	(13,501)	(12,073)	(11,849)	(10,683)
External services	(44,274)	(40,200)	10%	(11,837)	(10,996)	(10,473)	(10,968)	(9,886)	(10,417)	(10,931)	(8,966)
Court and enforcement fees	(39,879)	(30,614)	30%	(10,620)	(11,521)	(9,206)	(8,532)	(8,462)	(7,140)	(7,285)	(7,727)
Other	(21,599)	(16,709)	29%	(11,423)	(3,848)	(3,019)	(3,309)	(8,146)	(3,007)	(2,888)	(2,668)
Total operating expenses	(160,158)	(135,629)	18%	(48,713)	(40,436)	(35,727)	(35,282)	(39,995)	(32,637)	(32,953)	(30,044)
Profit (loss) on operating activities	58,584	62,488	-6%	16,306	10,112	10,901	21,265	(3,028)	19,156	30,054	16,306
Net financial expenses	(32,777)	(22,886)	43%	(10,418)	(9,906)	(6,694)	(5,759)	(4,928)	(2,840)	(5,614)	(9,504)
Profit (loss) before tax	25,807	39,602	-35%	5,888	206	4,207	15,506	(7,956)	16,316	24,440	6,802
Income tax	(2,572)	(8,919)	-71%	1,418	405	(3,599)	(796)	(2,502)	(1,326)	(4,817)	(274)
Net profit (loss)	23,235	30,683	-24%	7,306	611	608	14,710	(10,458)	14,990	19,623	6,528

Income statement II

Payments from debtors 2022/23 - breakdown by date of purchase of debt package



82.5%
 payments from debtors
 in the 2022/23 financial year
 was generated
 on packages purchased before 04/2020.

The recoveries from this part of the Group's portfolio were on a similar y/y level, which in view of the lack of significant investments in 2020-2022 - made it possible to maintain positive dynamics of total contributions

Income statement III

PLN thousand	12M 2022/23	12M 2021/22
Verification of the forecast	(3,998)	11,249
Deviations from actual payments	95,822	59,424
Extension of projected recoveries	1,188	1,298
Change in exchange rate	607	(947)
Revaluation of packages	93,619	71,024

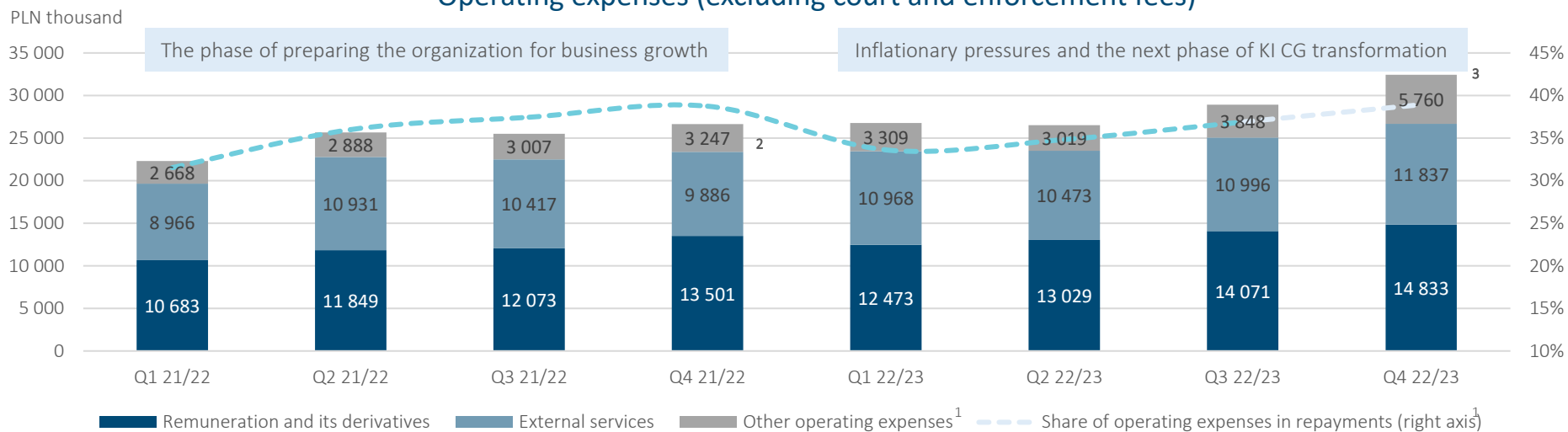
- Year-on-year increase in recurring operating expenses mainly due to increases in **costs of remunerations, court and enforcement fees, and third-party services**
- **Operating expenses** after excluding court and enforcement fees **are growing at a rate similar to the growth rate of repayments (15% vs. 14% y/y)**
- Increase in the costs of remunerations mainly due to inflationary pressures and preparation of the organization for **a significant increase in the scale of operations** (process conducted intensively during 2021/2022)
- The increase in the cost of **court and enforcement fees closely related to the high level of investment in portfolios**, in future quarters should bring **an increase in payments from debtors**
- Item **“other costs by type”** includes in 2022/2023 **significant costs of non-recurring nature** i.e. provision for tax audit at KIRUS and write-down of goodwill relating to KI Solver **(total of PLN 6.4 million)**

- High **Deviations of actual payments from forecasts** is the cash effect (real cash inflows to the CG) observed in **all significant CG countries**
- Negative **Verification of the forecast** due to the maintenance of **conservative** approach as to repayment curves, particularly with regard to collateralized receivables (non-cash effect)
- Positive impact of **foreign exchange differences** (RON) - non-cash effect

PLN thousand	12M 2022/23	12M 2021/22	Change (%)
Remunerations, social insurance contributions and other benefits	54,406	48,106	13%
External services	44,274	40,200	10%
Court and enforcement fees	39,879	30,614	30%
Depreciation and amortization	7,642	6,971	10%
Taxes and charges	1,875	1,503	25%
Consumption of materials and energy	2,245	1,482	51%
Other costs by type	9,837	6,753	5%
Operating expenses	160,158	135,629	18%

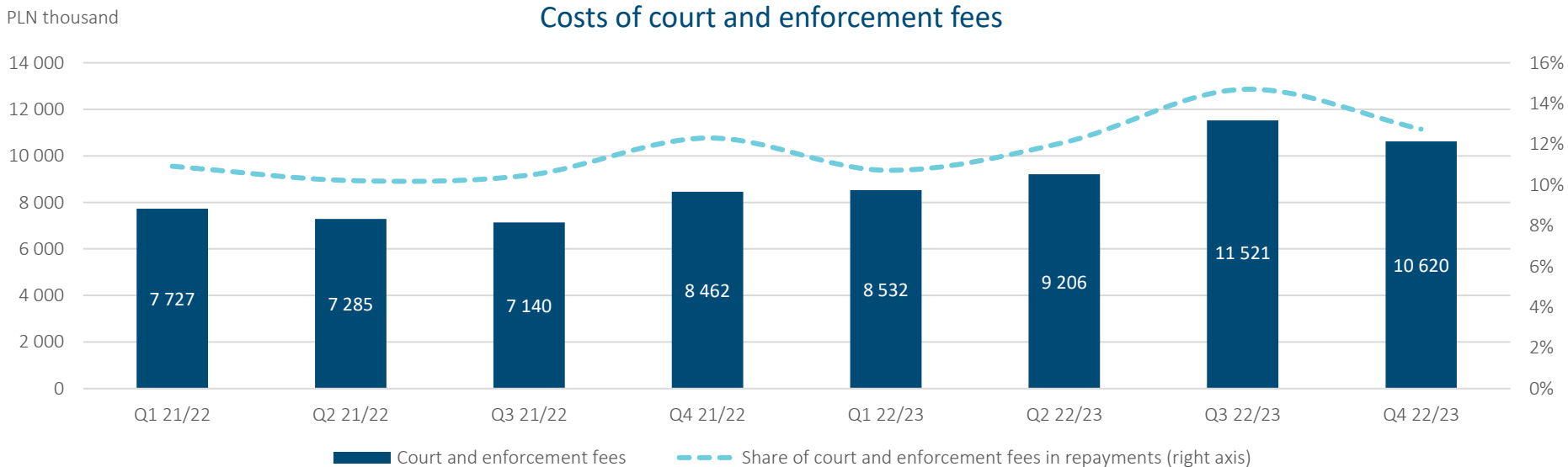
Income statement IV

Operating expenses (excluding court and enforcement fees)



- A decline in the share of operating expenses in repayments (excluding court fees and enforcement fees) observed at the beginning of 2022/23 offset in the second part of the year by inflationary pressures
- Share of remunerations in repayments (18% in Q4 22/23) at the level of the best industry benchmarks

Costs of court and enforcement fees



- Higher share of court fees and enforcement fees in repayments in 2022/23 should translate into increased repayments in subsequent periods (mainly PL and ROM)

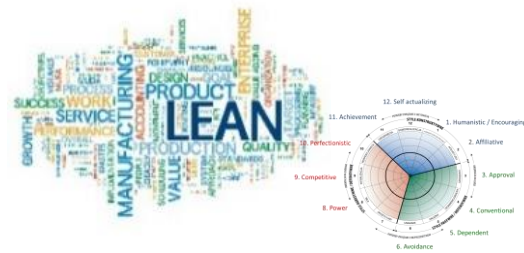
¹ After excluding court and enforcement fees

² After adjusting for non-cash allowance for KI RUS

³ After adjusting for the non-cash effect of the provision related to the KIRUS tax audit

Visible effects of the organization's transformation process I

TRANSFORMATION OF ORGANIZATIONAL CULTURE

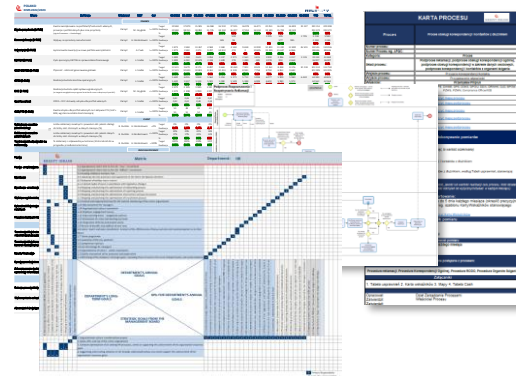


- Implementation of LEAN schedule for operational processes



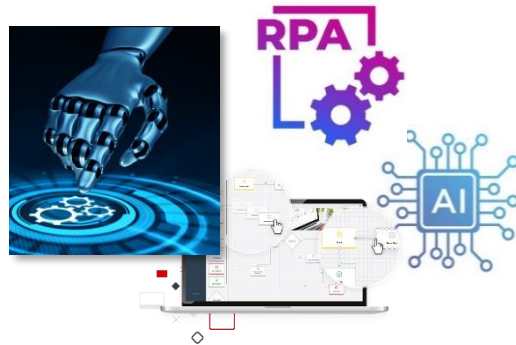
- Culture Project

MODERN METHODS OF MANAGEMENT



- BBSC “Kredyt Inkaso Management System” - implementation across the CG
- HOSHIN KANRI - implemented in PL
- Process Management (Lean, BPMS)
- Project Management
- Change Management (implementation in the current financial year)

ADVANCED DATA ANALYTICS AND TECHNOLOGICAL SOLUTIONS



- We are a “data-driven” organization and we make all decisions based on available data
- We have advanced statistical models
- We have established an RPA (Robotic Process Automation) department in close collaboration with the lean team
- Savings of dozens of FTEs in the CG thanks to robotization
- We plan to test AI/ML solutions to support daily operations

Value of payments per FTE (y/y) **+12%**

Employee rotation (y/y) **-30%**

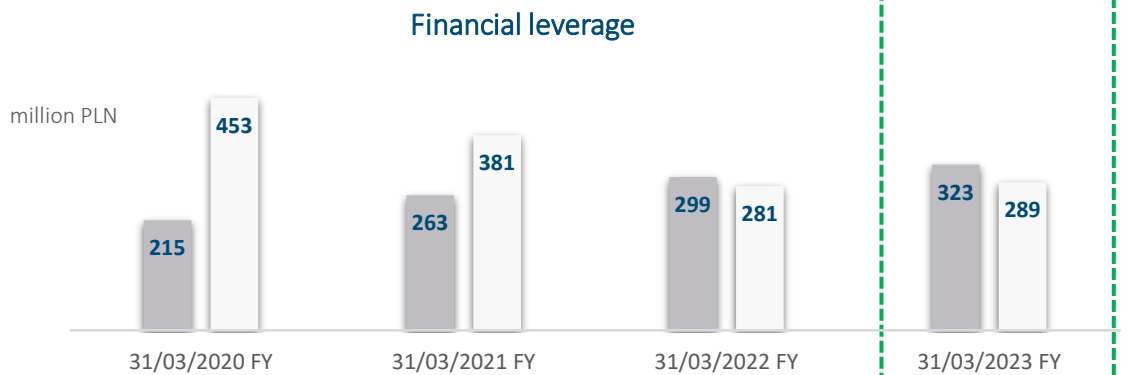
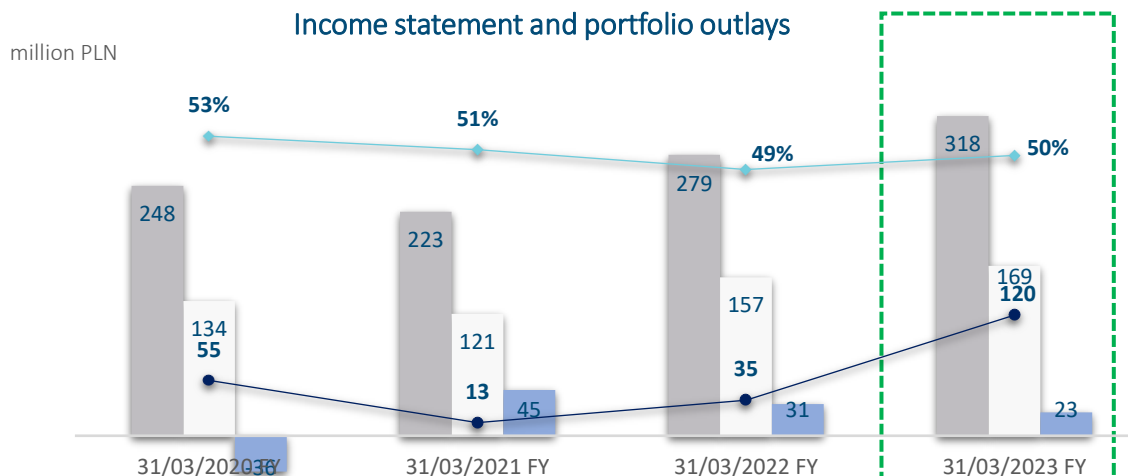
Record payments (y/y) **+14%**

FTE savings with RPA **45 FTE**



We have the potential for further increase in operational efficiency

Visible effects of the organization's transformation process II




Net debt/Equity [max 2.25]	2.11	1.44	0.94	0.89
Net debt/12M \$EBITDA [max 3.6]	3.39	3.14	1.79	1.71

INCREASE IN EFFICIENCY

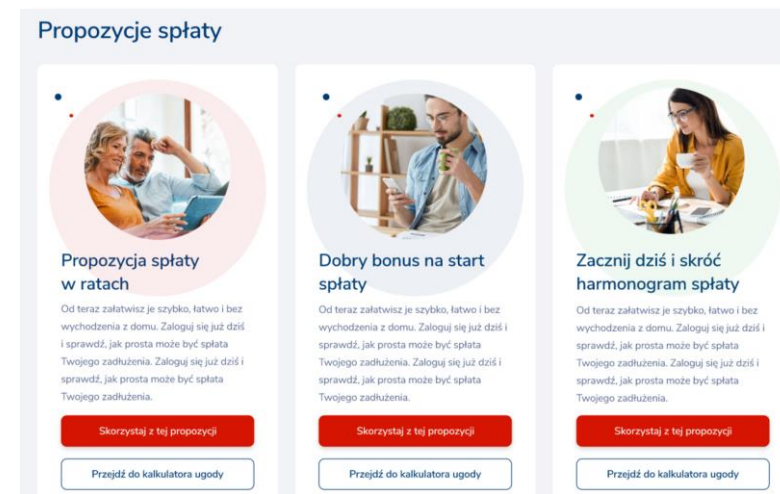
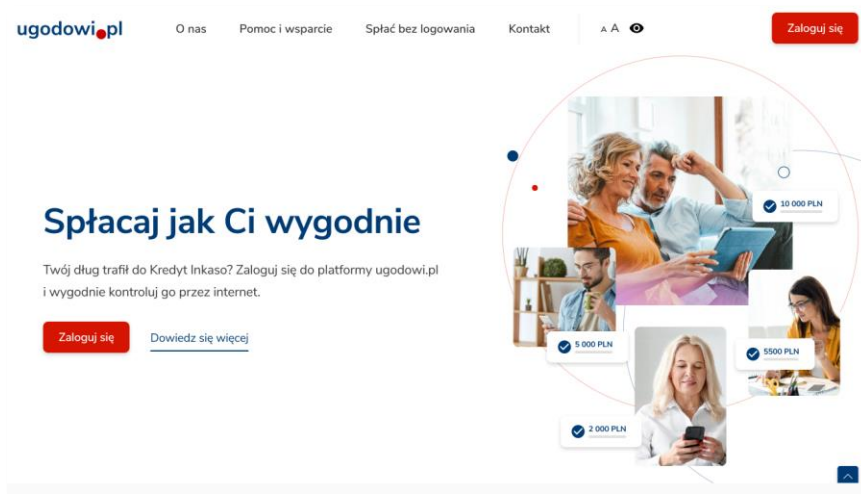
31.03.2020 vs 31.03.2023

Equity +50%	Net debt -36%
Number of employees 578 → 547	
Cost to collect 53% → 50%	Payments +28%



Increased recoveries due to improved operational efficiency and effectiveness on older portfolios - steady decline in cost to collect (OPEX/Payments)

NEW VERSION OF THE PORTAL



INCREASE IN EFFICIENCY



Online payments
(Y/Y)
+292%



New mobile users
(Y/Y)
+47%



Number of settlements reached
(Y/Y)
+137%

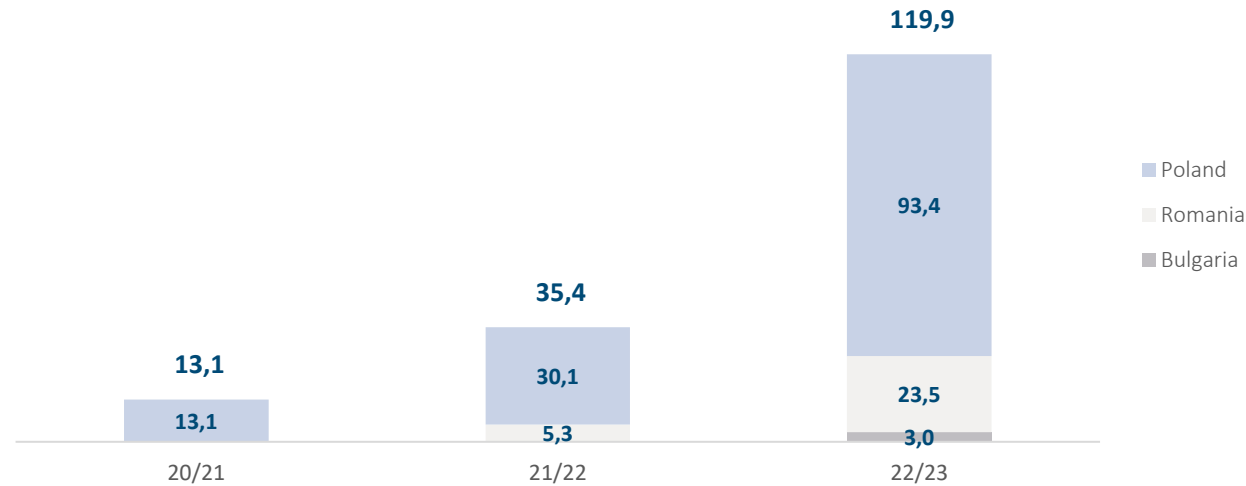


Value of the settlements reached
(Y/Y)
+164%

3 Financial situation

Investments in the last 3 years

Outlays for purchase of debt packages (PLN million)



Date of purchase of debt packages	Purchase price of debt packages (PLN million)	Payments from debtors 2020/21 (PLN million)	Payments from debtors 2021/22 (PLN million)	Payments from debtors 2022/23 (PLN million)	% Payments / Purchase price 2020/21	% Payments / Purchase price 2021/22	% Payments / Purchase price 2022/23
2020/21	13.1	3.5	16.3	15.0	27.0%	124.7%	115.3%
2021/22	35.4	-	2.7	22.5	0.0%	7.7%	63.6%
2022/23	119.9	-	-	18.1	0.0%	0.0%	15.1%
Total	168.4	3.5	19.0	55.7			

Dynamic return to investment in new portfolios

PLN 119.9 million
3.4x (y/y)

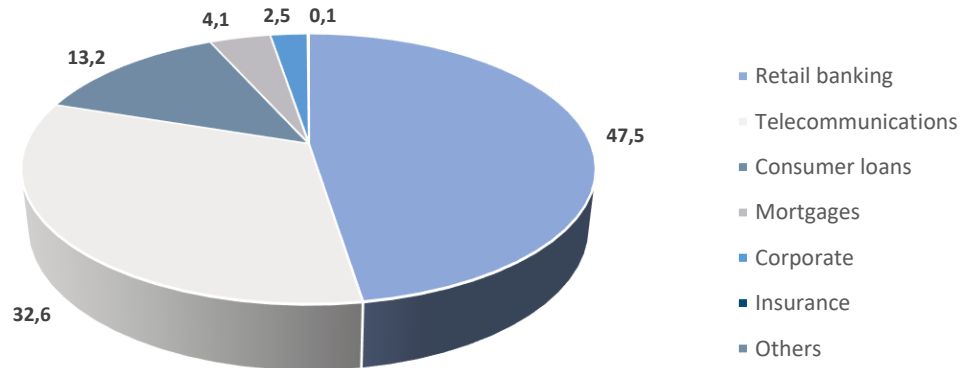


Further investment growth planned in Poland, Romania and Bulgaria.

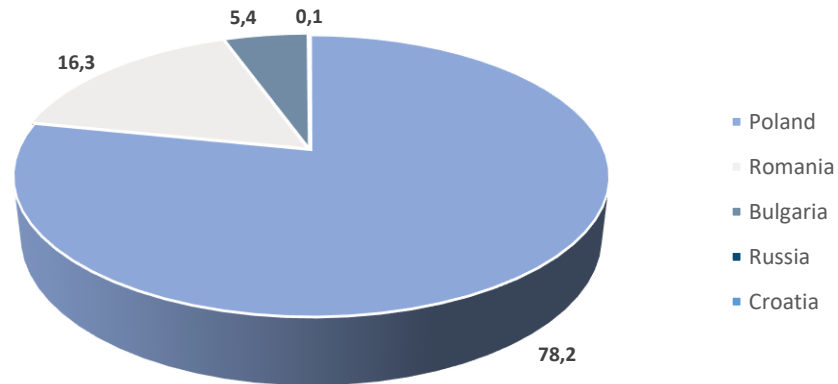


KI CG portfolios characteristics

Book value of debt portfolios per type as at 31 March 2023



Book value of debt portfolios per country as at 31 March 2023



Book value as at 31.03.2023

PLN 593.9 million

Book value of KI Group's debt portfolios by type (PLN million)

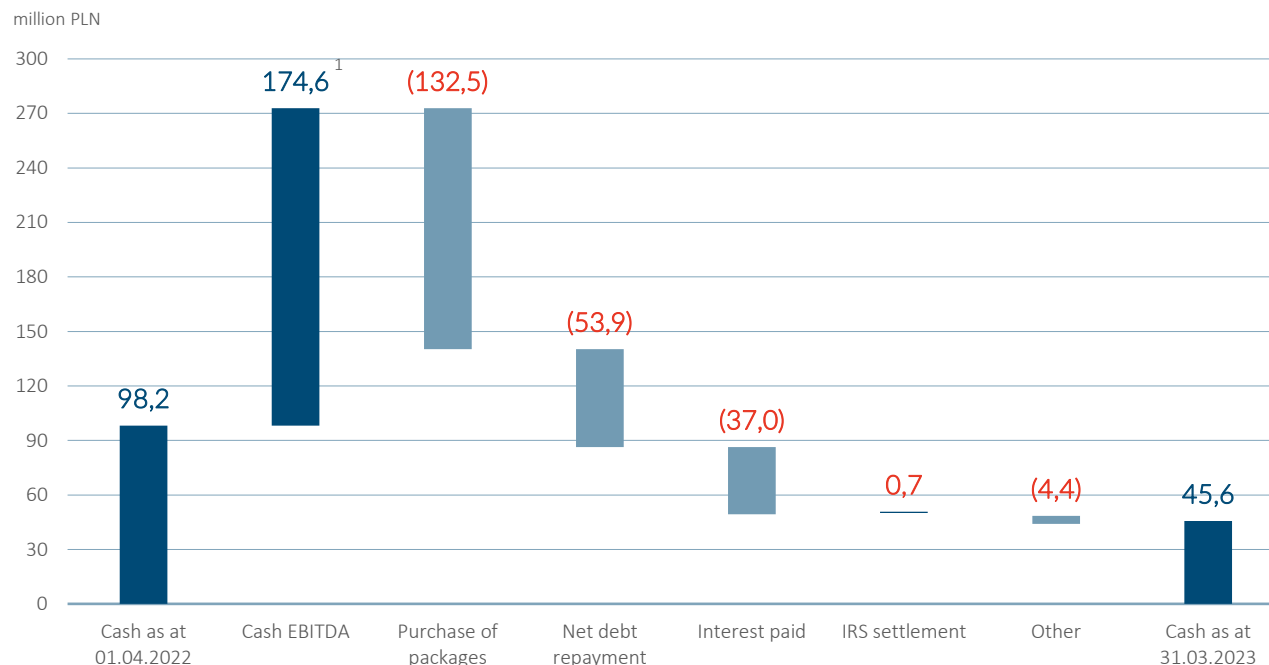
	Book value as at 31.03.2023	Percentage (%)	Change y/y (p.p)
Retail banking	282,0	47,5	-9,6
Telecommunications	193,8	32,6	10,5
Consumer loans	78,6	13,2	0,1
Mortgages	24,1	4,1	-0,6
Corporate	15,0	2,5	-0,4
Insurance	0,3	0,1	0,0
Others	0,0	0,0	0,0
Total	593,9	100,0	

Book value of KI Group's debt portfolios (PLN million)

	Payment of debtors 12M 2022/2023	Book value as at 31.03.2023	Percentage (%)	Change y/y (p.p)
Poland	219,0	464,5	78,2	1,3
Romania	48,3	96,9	16,3	0,2
Bulgaria	22,0	31,8	5,4	-0,8
Russia	27,9	0,4	0,1	-0,5
Croatia	0,3	0,3	0,0	-0,2
Total	317,5	593,9	100,0	

The book value of Russian portfolios represents 0.1% of the carrying value of all receivables acquired and amounts to **PLN 0.4 million**; no further discounting related to the war in Ukraine.

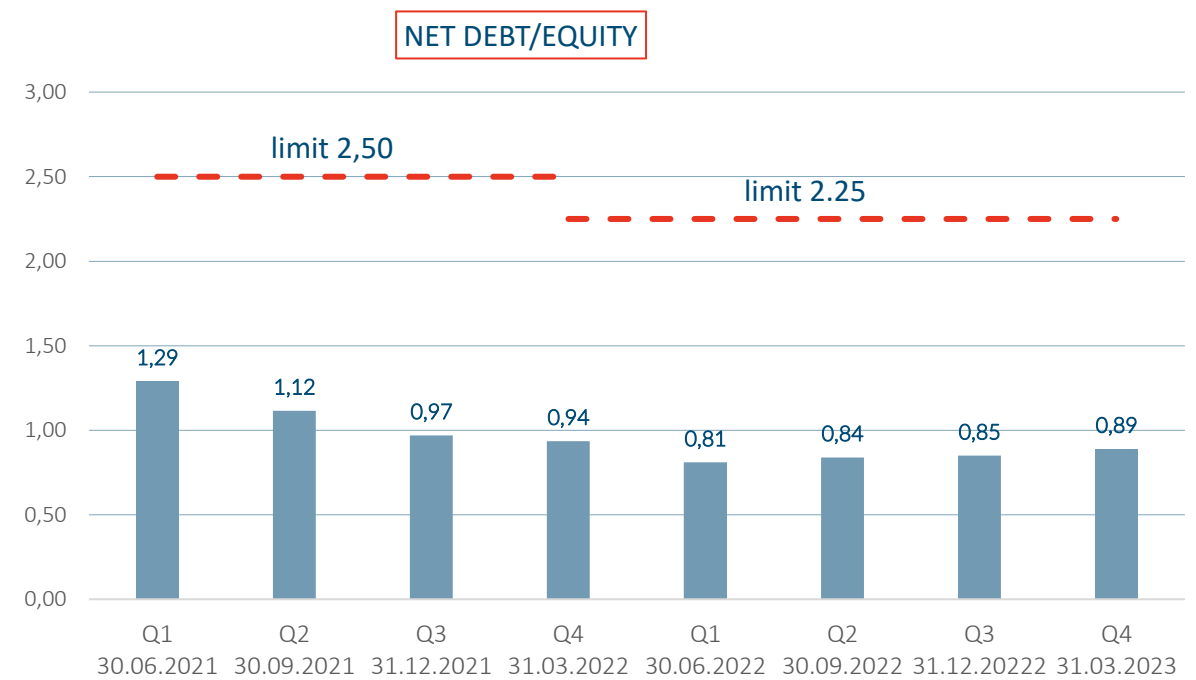
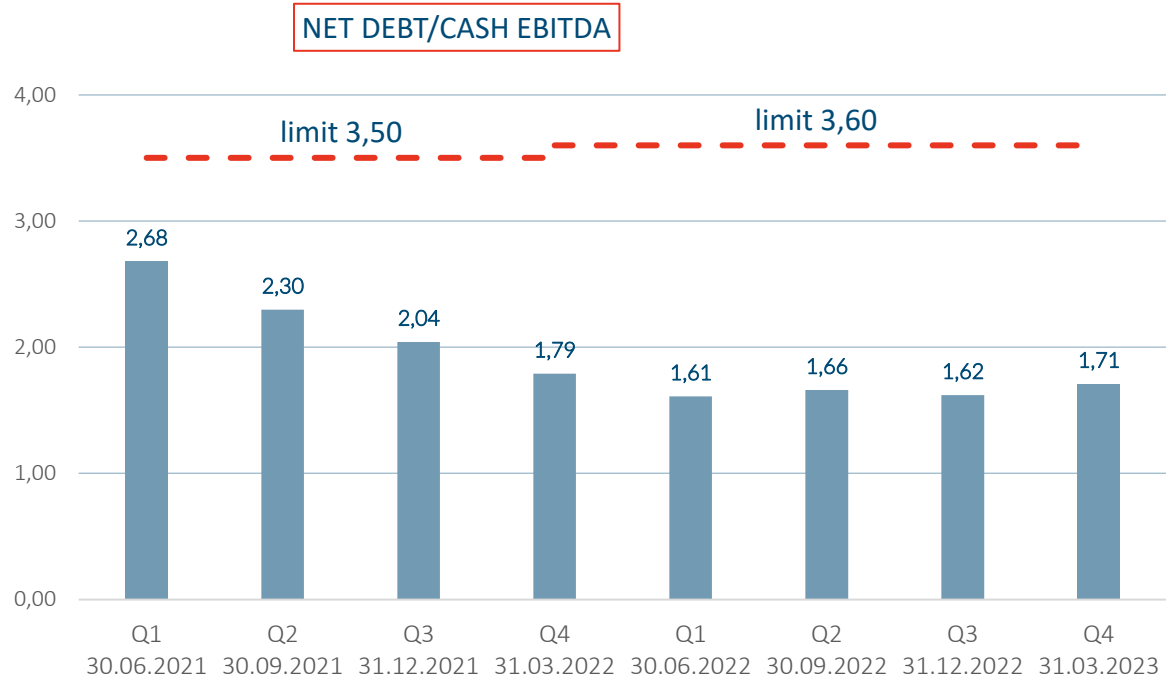
Cash flow and cash position



Cash flow [PLN million]	12M 2022/23	12M 2021/22
Cash opening balance	98.2	74.0
Operating activities	166.8	165.6
Investment activity	(129.8)	(28.2)
Financing activities	(91.1)	(112.7)
Exchange rate differences	1.4	(0.6)
Cash closing balance	45.6	98.2

- In 12M, the Group concluded package purchase transactions amounting to PLN 119.9 million and settled purchase liabilities of PLN 12.6 million.
- In 12M, purchases were made more than 3 times the scale of investments made **in the previous financial year (after the balance sheet date, signed further agreements for the purchase of debt packages)**
- Group ready for **further significant expenditures on portfolio purchases - promising prospects over the coming quarters (expected supply of portfolios in the market)**

Debt ratios

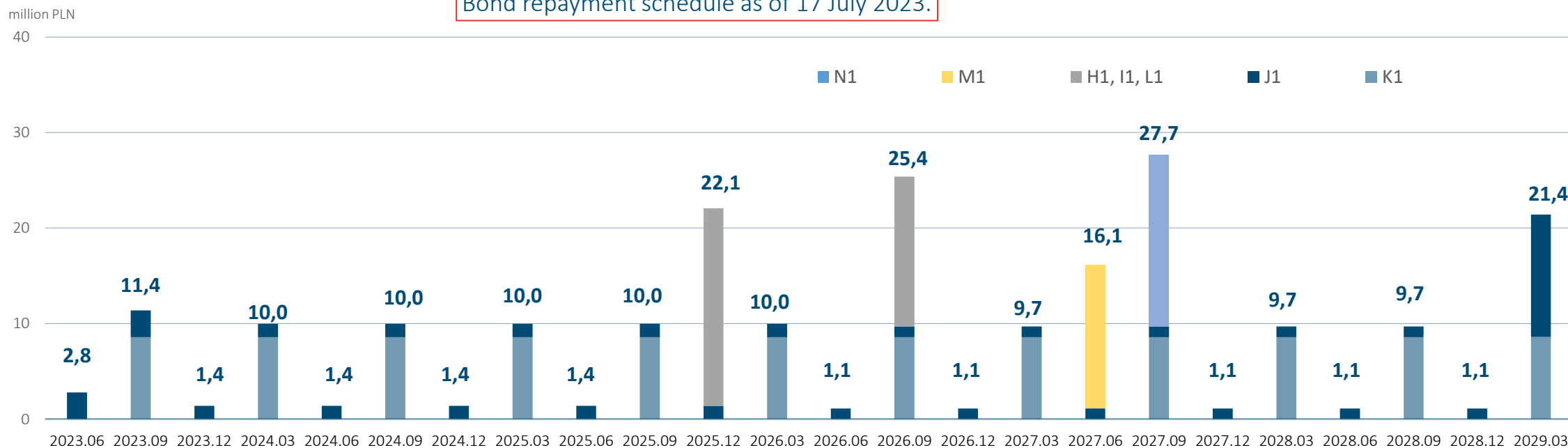


- Ambition and capacity for new investments thanks to **secure debt levels** (DN/EBITDA and DN/KW)
- **Net debt** as of 31 March 2023 at **PLN 288.7 million (+3% y/y)**

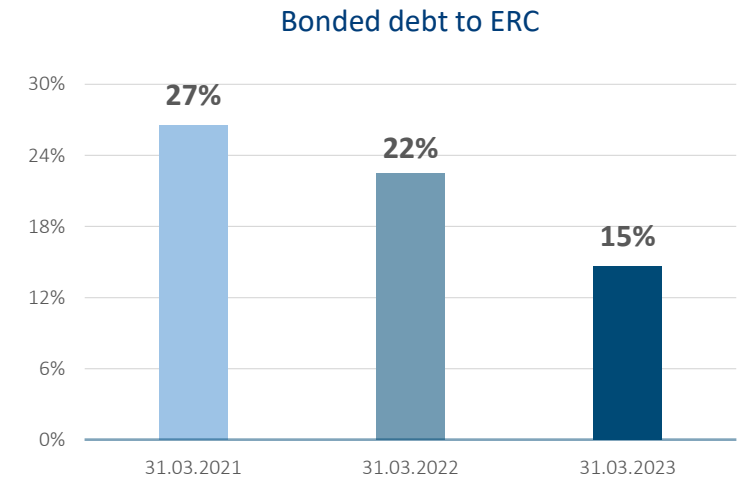
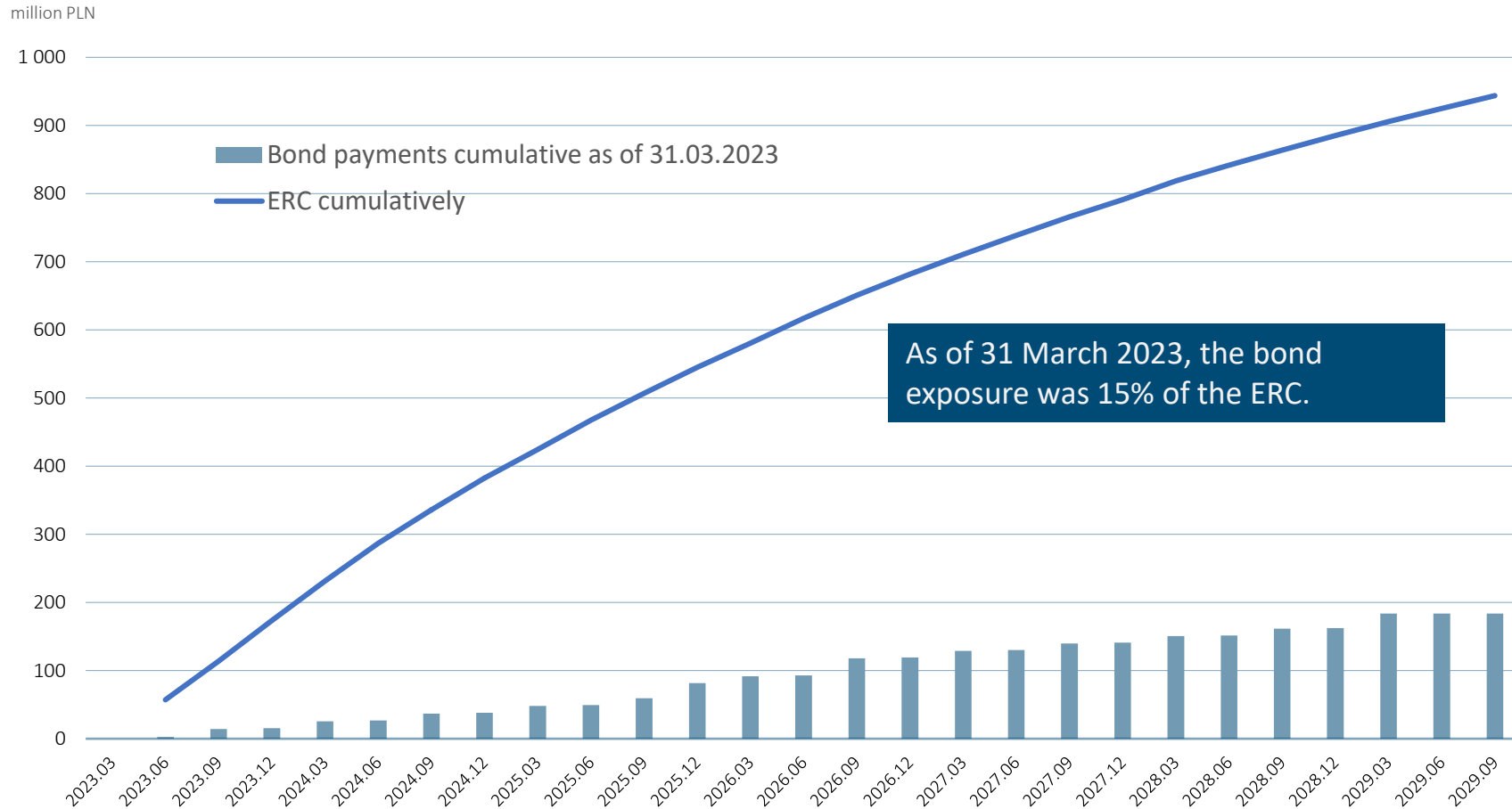
Secure repayment plan for current bonds, increase in financing options

- As of the balance sheet date of 31 March 2023, there were 5 series of Kredyt Inkaso Group bonds with a nominal value of PLN 184 million. The structure of bondholders is diversified, with a significant share of both financial institutions and individual investors. By reconstructing the term structure **in early 2022, the Group eliminated the risk of refinancing bonds and extended the term of the financing.**
- **Further bond issues and an increase in the limit of the credit line by PLN 60 million in August'22** have meant that the Group **has sufficient liquidity for new major investments.**
- **On 14 April 2023, the Issuer allocated Series M1 bonds worth PLN 15 million.** This was the first issue under the Bond Issuance Program of up to PLN 100 million dated 22.09.2022 issued under the Prospectus approved on 14.02.2023. **The issue ended with an 11.5% reduction in subscriptions.**
- **On 13 July 2023, the Issuer allocated Series N1 bonds worth PLN 18 million.** The issue took place within the framework of the Bond Issuance Program of up to PLN 100 million, dated 22.09.2022, issued on the basis of the Prospectus approved on 14.02.2023. **The issue ended with a 38.6% reduction in subscriptions.**
- **As of 31 March 2023, the Group had loan debt of approximately PLN 140 million.** The item was entirely related to two loans granted to the Group by ING Bank Śląski. **The total available limit is PLN 200 million, and the funds can be used to purchase debt portfolios.** The depreciation period for each financing tranche is 5 years, and as of now, the final expiration date of the loan agreements is the end of 2032.
- After the balance sheet date, the Company also entered into a loan agreement with ING Bank Śląski S.A., the subject of which is **an overdraft in the amount of PLN 10 million** and a guarantee credit in the amount of PLN 449 thousand. With the conclusion of the aforementioned agreement **the Group has further optimized its short-term liquidity management process.**
- As of 31 March 2023 **the Group held PLN 45.6 million in cash.**

Bond repayment schedule as of 17 July 2023.



Expected repayments from portfolios (ERC) and planned bond repayments



4 Corporate situation

- **Auditor for special cases:**
 - **The appointment of the special auditor was requested by a shareholder of Kredyt Inkaso BEST SA** during the EGM in April 2022. The appointment resolution was not adopted. The scope of the auditor's audit was to address: potential manipulation of Kredyt Inkaso's share price in September 2016, the justness of the conclusion and execution of the consulting agreement with Prosperus Partners signed in May 2016, and the justness of the conclusion and execution of the consulting agreement with Waterland Private Equity concluded in 2017.
 - BEST SA took legal action and the registry court issued a **a non-final decision on the appointment of an auditor for special issues in the Company.**
 - The Company **has appealed the above non-final decision for the reasons described in the Management Board's stance (RB 24/22).**
 - **To date, the District Court in Warsaw has not served the Company with any ruling on the auditor issue.**
- On 4 April 2023, the Management Board decided to initiate a **strategic options review process and** signed an agreement with Ipopema Securities S.A., based in Warsaw, which, together with other advisors, will support the Management Board in conducting the review. Discussions with potential investors will take place after the vacations, the goal of the Management Board and advisors is to **close the review before the end of the 2023-24 financial year.**
- In the period 12/2022 - 06/23 **a tax audit took place at the Group's Russian company**, which questioned CIT settlements for recent years. In connection with the above, in the consolidated financial statements **a provision of PLN 5.7 million was established .**



Draft of 3 October 2022 of the Act on debt collection activities and the debt collection profession

- the obligation for a debt collection company to have a permit and for a debt collector to have a license,
- subject limitation (e.g. persons over 75, persons with certain disabilities) and object limitation (e.g. time-barred cases, with objections raised by the debtor) in conducting amicable collection,
- obligation to keep additional documentation for debt collection activities (including, but not limited to, a request to initiate a debt collection action, a debt collection note, a debt collection protocol, a list of telephone calls, audiovisual calls and text messages sent, including those using: faxes, e-mail, SMS, MMS or instant messaging, a list of ongoing debt collections),
- shortening the statute of limitations.

Current status:

Legislative work in parliament has not yet begun.

Draft of the Act on amendments to certain laws in connection with ensuring the development of the financial market and the protection of investors in this market (referred to the Parliament on 12 June 2023)

- increase and expansion of administrative sanctions, the possibility of imposing penalties on individual members of the authorities regardless of proceedings against institutions, depending on the violation

Current status:

Legislative work in parliament is underway. The Act is likely to be passed later this parliamentary term.

Directive (EU) 2021/2167 of the European Parliament and of the Council of 24 November 2021 on credit servicers and credit purchasers and amending Directives 2008/48/EC and 2014/17/EU (NPL Directive).

- The directive regulates, among other things, the rules for the disposal of receivables (relations with the seller), the rules for servicing receivables (relations with the buyer), the rules for collection (relations with the debtor), cross-border servicing of receivables, authorization and supervision,
- Date of implementation of the NPL Directive into the national legal order: by 23 December 2023.

○ Draft of the Act implementing the directive: Draft of 15 June 2023 of the Act on credit servicers and credit purchasers

- The proposed regulation is intended to clarify the terms of activity, rights and obligations of credit buyers who acquire the lender's rights under an unserviced credit agreement or the unserviced credit agreement itself, as well as to indicate a catalogue of entities to which the provisions of the proposed law will not apply (to the servicing of the lender's rights under a credit agreement or the servicing of the credit agreement itself, carried out, among others, by - under certain conditions - a company, an alternative investment company (ASI) manager, alternative investment fund managers and investment companies).

Current status:

Draft of the Act prepared by the Ministry of Finance prior to public consultation. Legislative work in parliament has not yet begun.

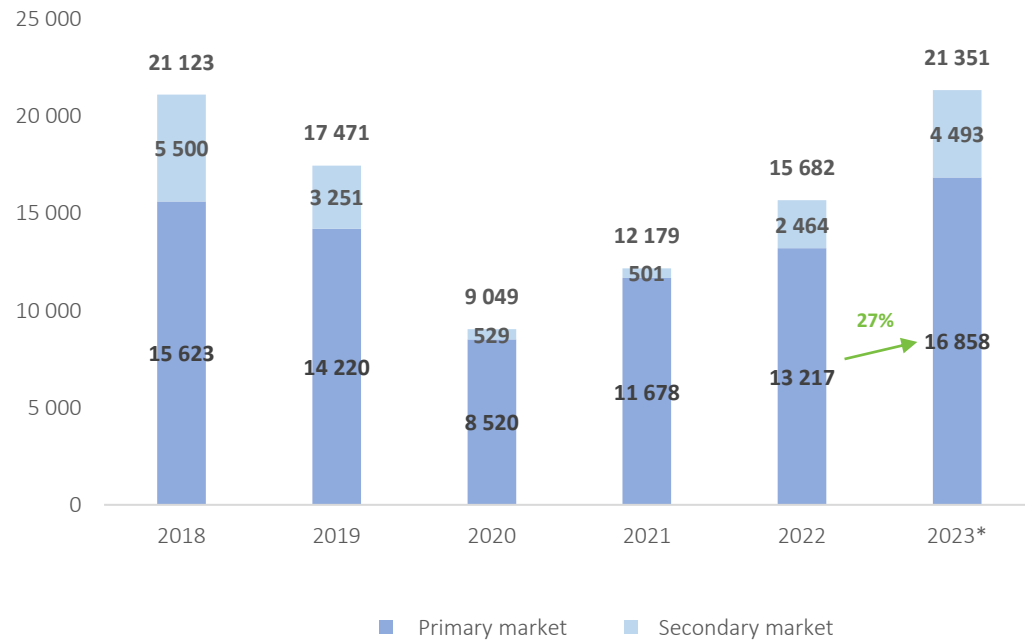


5 Market environment

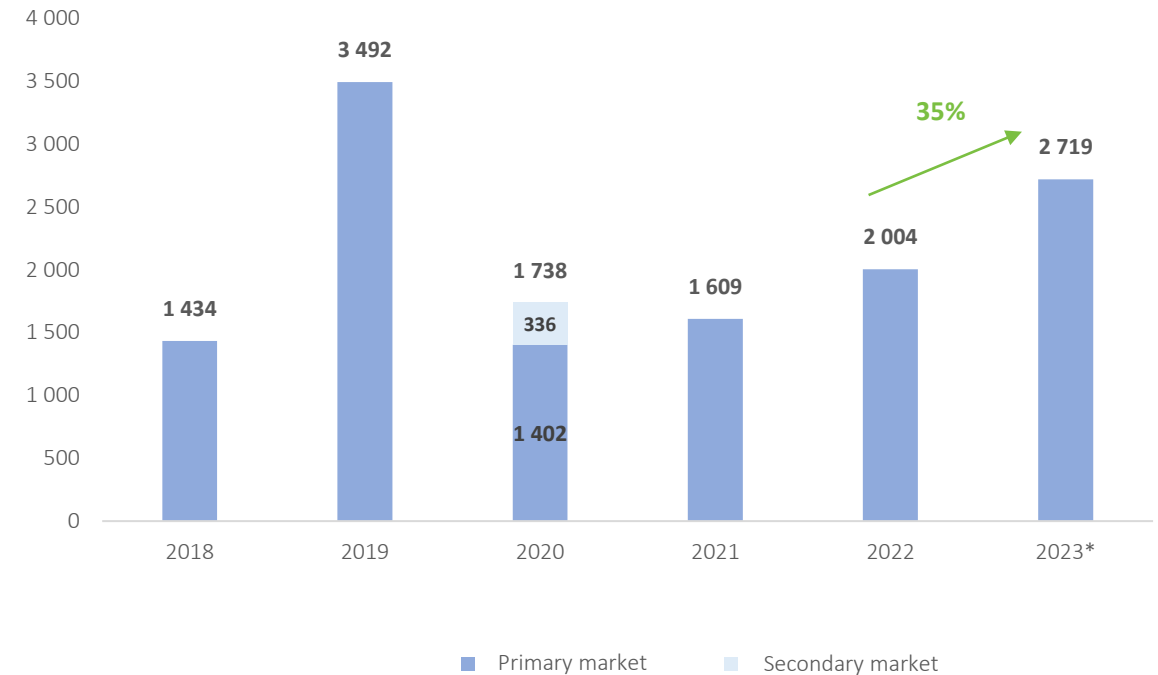
Portfolio supply in the primary and secondary debt market in Poland and Romania (*forecast 2023 - own estimates)



Supply of debt portfolios in years (PLN million)



Supply of debt portfolios in years (PLN million)



Market environment in major markets: Poland and Romania



Poland

- After the perturbations caused by the Covid-19 pandemic the level of sales of non-performing debt portfolios has stabilized and an upward trend is evident.
- According to current forecasts for the level of debt supply this year, it is highly likely to increase further by more than 25%.
- The debt supply in 2022 compared to 2021 increased by 13%, while the share of NPLs of banks of the total portfolio supply is 85%.
- Poland's unemployment rate remains low for another year in a row at around 5.1%.
- The high level of inflation translates into a high level of interest rates, which will result in an increase in the level of NPLs in the coming years.
- Banks, seeking to further improve their financial performance, will put better quality debt portfolios up for sale.
- Further rulings by the CJEU on the borrowers' claim could mean additional burdens for the banking sector on this account.

	Poland		
(data as at the end of May)	May 23	2023 forecast	2024 forecast
HICP inflation	12,5%	12,4%	4,8%
Unemployment rate	5,1%	3,4%	b/d
GDP growth rate	3,8%**	3,9%	2,1%

Key players in the PL market



Romania

- The supply of debt portfolios in 2022 increased by 27% compared to the previous year.
- In 2023 it can be expected that there will be a 35% increase in the available denominations of debt portfolios.
- Increased debt supply has already occurred in H1 2023.
- The banking portfolio's share of the total supply, at 45%, will remain at its current level.
- According to National Bank of Romania forecasts, there will be a decline in average annual inflation to 11.2% in 2023, compared to 16.3% last year.

	Romania		
(data as at the end of May)	May 23	2023 forecast	2024 forecast
HICP inflation	9,6%	7,1%	4,2%
Unemployment rate	5,5%	bd	bd
GDP growth rate	2,3%**	3,4%	1,4%

Key players in the RO market



6 ESG at the Kredyt Inkaso Capital Group

E S G

Environment
Society
**Corporate
governance**

- Sustainable development and ESG activities, i.e. Environmental, Social and Corporate Governance) are playing an increasingly important role in the Group. The Group engages itself in further ventures in this area with the conviction that they make deep sense and should produce tangible results that are consistent and relevant to its business profile.
- We operate in accordance with the UN Sustainable Development Objectives.













The **Kredyt Inkaso Capital Group** provides financial services that do not directly affect environmental pollution, so the Company has not adopted a separate policy on environmental issues. However, with environmental concerns in mind, the Group monitors energy consumption and adheres to policies related to the disposal (return to supplier) of used electronic equipment, printer toners, fluorescent lamps, etc.

The **Kredyt Inkaso Capital Group** carried out a calculation of environmentally sustainable activities based on the requirements of the European Union (EU Taxonomy). The guidelines indicated in the EU regulations require companies to disclose whether and to what extent their business activities, particularly revenues, operating expenses and capital expenditures, comply with the assumptions of the Taxonomy classifying and describing environmentally sustainable activities.

E Environment

- In the reporting period, the main items of the Group's revenues from the activities included in the systematics were revenues related to the acquisition and ownership of buildings in the amount of PLN 3,280.4 thousand. The share of turnover from systematic-eligible but environmentally unsustainable activities was 1.5% in the period under review, and turnover from non-systematic activities was 98.5%. As a result of the verification of the implemented projects, there were no turnovers that met all the taxonomic criteria to classify them as conforming to the systematics.
- The percentage of capital expenditures (CapEx) for systematic-eligible but environmentally unsustainable activities was 91.1%, and capital expenditures from activities not eligible for systematics was 8.9%. No expenditures from sustainable activities (compliant with the systematics) were disclosed.
- The analysis also did not reveal operating expenses (OpEx) from environmentally sustainable activities in the Group's total operating expenses. The share of operating expenses from systematic-eligible but environmentally unsustainable activities during the reporting period was 100.0%.
- The audit will be performed periodically in accordance with current regulations. The results obtained so far are typical of entities in the debt management industry that have no direct impact on environmental pollution.

ESG at the Kredyt Inkaso Capital Group II

<h2>E Environment</h2>	<ul style="list-style-type: none"> ✓ successive replacement of vehicles from the company's car fleet with cleaner ones, ✓ replacement of the old telephone exchange at the company's Warsaw headquarters with a single, energy-efficient device, ✓ adherence to rules related to the disposal of used electronic equipment, printer toner and fluorescent lamps, ✓ preparation, in accordance with the GHG Protocol methodology, of quarterly reports on direct and indirect greenhouse gas emissions included in Scopes I and II in Poland, Romania and Bulgaria. 	 
<h2>S Society</h2> <p>customers local community</p>	<ul style="list-style-type: none"> ✓ building relationships with customers based on respect for their rights and understanding of their life situations, ✓ educational activities on getting out of debt, as well as promoting a frugal way of life, ✓ participation in the ZPF's educational campaign called "Debt collection - a clear issue", ✓ Participation of the President of the Management Board as a speaker at the BloomPro Foundation's "Women's Leadership" conference, ✓ financial support to the Little Prince Hospice for Children in Lublin, ✓ financial support to the Shelter for Homeless Animals in Lublin, ✓ participation in the "Parcel for a fellow man" campaign, organized by the Granary of St. Brother Albert in Zamość, ✓ active encouragement of employees to create a company's list of PBOs and donate 1.5% to them when filing their annual tax return. 	  
<h2>G Corporate governance</h2>	<ul style="list-style-type: none"> ✓ activities in accordance with applicable laws and regulations with the highest ethical standards, as demonstrated by, among others, Code of Ethics of the KI Group, ✓ observance of the provisions of the document "Best Practices of Companies Listed on the WSE 2021",  ✓ successfully completed another Ethics Audit conducted by the Ethics Committee at ZPF,  ✓ successfully completed audit confirming compliance with the requirements of PN-EN ISO/IEC 27001:2017-06 regarding the establishment, implementation, maintenance and continuous improvement of an information security management system and the estimation and handling of information security risks, ✓ separation in the organizational structure of KI SA - Security Division, ✓ update of the Mission and Values and creation of a Vision for the KI Group - <i>cont. on next slide.</i> 	  

Corporate Governance - Mission, Vision, Values



Mission

We support primary creditors and indebted individuals and companies.
We help primary creditors solve problems with irregular receivables.
We make it easier for the indebted individuals to repay their arrears. We do it ethically and effectively.



Vision

We want to be a company whose value grows for everyone: employees, investors, customers and business partners.

Values

First of all, people

We work with people and for people.
We respect our team members, investors, customers (indebted individuals) and business partners
We follow the principle of fair play.
We focus on close cooperation and benefits for all parties.



Straight to the goal

We focus on finding simple and beneficial solutions for our customers and our business.
We strive for the best possible results and avoid inefficiencies.



Ready for the future

We are committed to the continuous progress and development of our organization.
We are moving with the times.
We quickly and flexibly implement innovative solutions.
We are constantly improving.



S

Society

employees

- achieving optimal gender parity in the Management Board and managerial staff - 50% W and 50% M
- subsidized English language learning for those involved in international cooperation
- development of a series of guides for employees and customers titled “Let’s take care of ourselves in troubled times”
- organization of a contest for employees “And how do you take care of your health?” promoting a healthy lifestyle
- organization of a series of training courses in premedical first aid for a group of more than 80 employees
- purchase of an AED defibrillator for the Zamość headquarters of KI SA
- subsidized sports activities (Multisport card, participation in the 17th Nationale-Nederlanden Warsaw Half Marathon)
- maintaining a flexible/hybrid work model
- subsidizing the purchase of eyeglasses, medical care and providing group life insurance
- allowing employees to perform tests on COVID-19 at company expense



Our goal is a constructive organizational culture

- In the first half of 2022, in cooperation with Dr. Maria Mycielska, an expert at ICAN Institute, a survey of organizational culture took place using the Organizational Culture Inventory OCI™ methodology. Based on the results, the goal of cultural transformation was defined: to get as close as possible to a constructive organizational culture, which is characterized by the following indicators: caring for people, cooperation, commitment and being creative. This survey will be repeated in the first half of 2024 to assess the effects of the transformation measures being implemented.
- Today, culture is built on the foundations of cooperation, mutual respect, inclusiveness, open communication, and enjoying what we do and how we do it.
- We have assembled a management team consisting of people with both high substantive and social-emotional competence.
- We educate leaders to improve their skills and be a real support for their team members and carriers of a constructive organizational culture - we have initiated a managerial training program called “Challenges of Modern Leadership”.
- We know how important dialogue is to the success of an organization, which is why we organize: periodic/quarterly chats with the Management Board, direct feedback meetings on the comfort of work in individual locations with representatives of the HR division, and surveys of employee opinions in the form of questionnaires on issues of particular importance to them.
- We care about the integration of our employees and a good working atmosphere, so we have set aside a budget for integration meetings of divisions and project teams.

Effects

- Increase in efficiency per employee by **38%** over a 3-year period.
- Achieving employee turnover in PL at the level of **14.9%**.
- Achieving historical recovery levels



Project
CULTURE

We continue to transform the organizational culture

KPIs that we measure/want to measure in the ESG area

E

Environment

- ✓ direct and indirect greenhouse gas emissions.

S

Society

employees

1. Fluctuation rate (overall, positive and negative).
2. Use of leaves.
3. Sick leaves.
4. Fulfilment of the competency matrix.
5. Implementation of development plans.
6. Total number of hours allocated for development activities.
7. Average number of hours devoted to development activities per employee.

G

Corporate governance

Compliance and privacy

1. Timeliness of implementation of compliance recommendations.
2. Number of privacy violations.
3. Timeliness of processing requests regarding the rights of data subjects.
4. Number of requests from data subjects.
5. Compliance training - further strengthening of the compliance culture.
6. Review and update of internal regulations in the area of compliance.
7. Strengthening advice and ongoing support for foreign subsidiaries.
8. Close supervision of the implementation of the concluded data processing entrustment agreements.

Cyber security

1. Target - 90% of employees have completed online cyber security courses and training.
2. Number of cyber security incidents handled.
3. Percentage of completion of planned projects.

7 Summary and growth potential



What do we have at our disposal?

- A committed and experienced Team,
- A profitable and stable business model,
- Solid foundations for growth,
- Potential to further improve operational efficiency.



We are accelerating business transformation, thanks to:

- Team's growing competence and changing organizational culture,
- continuous improvement in Lean methodology,
- advanced data analytics,
- technology development, RPA and the planned use of AI.



What do we intend?

- Expansion of financing, including further bond issues.
- Further investments in three key markets: Poland, Romania and Bulgaria.
- Development of our people by creating an inclusive and diverse workplace.
- Implementation of modern technological solutions to improve process efficiency.
- Regardless of the company's growth scenario - continuously increasing its value and taking advantage of market opportunities.



KREDYT INKASO

Place of good solutions

Thank you for your attention!

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