



KREDYT INKASO

*A place for good solutions*

# Financial results of Kredyt Inkaso Group for the financial year **2023/2024**

12.07.2024



These contents (“Presentation”) have been developed by Kredyt Inkaso S.A. (“the Company”) solely for information purposes to meet the needs of its clients, shareholders and stakeholders, and market analysts, and under no circumstances should they be considered as any proposal to acquire its securities, or an offer, an invitation, an incentive or a recommendation to make any transactions on its securities. The Presentation does not represent any investment, legal or tax advice, nor is it an indication that any investment or strategy is suitable for the individual situation of the relevant investor. Investing in financial instruments, including bonds, involves the risk that invested funds could be lost, in whole or in part. Investors should seek their own independent advice before any decision to invest. The investor relies on the information herein solely at their own risk and responsibility.

Information included herein has not been subject to independent review and may change, from time to time. Data contained herein and published by the Company does not violate legal provisions applicable to companies whose shares are listed on the regulated market, in particular on the market managed by the Warsaw Stock Exchange S.A. Information included herein has been disclosed to the public by the Company under current and periodic reporting requirements, or as complementary details; however, this does not constitute a basis for their disclosure under the information requirements of the Company as a public company.

Under no circumstances should the information herein be considered as an express or implied representation or warranty of any kind made by the Company or by persons acting in its name and on its behalf. Neither the Company nor any individuals acting in its name and on its behalf shall be liable in any respect whatsoever for any damage which may arise, whether due to negligence or otherwise, in connection with the reliance on this Presentation or any information contained herein, or for any damage which may otherwise arise in connection with contents integrated herein.

The review process of strategic options for the Company discussed in this Presentation is pending and is competitive in nature. The sample transaction scenarios which may potentially be implemented upon the completion of the strategic options review, as referred to in the Presentation, are not the only or preferred options envisaged by the Company. The Company and its advisors have been considering a number of possible options pursuant to the authorization granted by its shareholders, with the interests of the Company, all its shareholders and other stakeholders in mind. The preferred transaction structure among options considered by the Company will be finally selected by its shareholders by way of the relevant resolution adopted at their General Meeting.

# Agenda

- 1 Sum-up of FY 2023/2024
- 2 Financial and operating results
- 3 Financial condition
- 4 Corporate situation
- 5 Market environment
- 6 ESG and other key highlights in FY 2023/2024
- 7 Conclusions

## KEY FIGURES <sup>1</sup>

### 23 years

of activity in the industry in Poland **17 years** on the WSE

### 574

staff on 4 markets  
PL, RO, BLG, RUS

### > 11 years

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

### nearly PLN 1.5 billion

issued bonds  
including almost **PLN 1.3 billion** already redeemed

### > PLN 1 billion

portfolio investments  
(historical)

### > PLN 2.6 billion

payments under own  
portfolios (historical)

### PLN 1.5 billion

ERC under own portfolios  
**>1.7 million** of claims under  
management

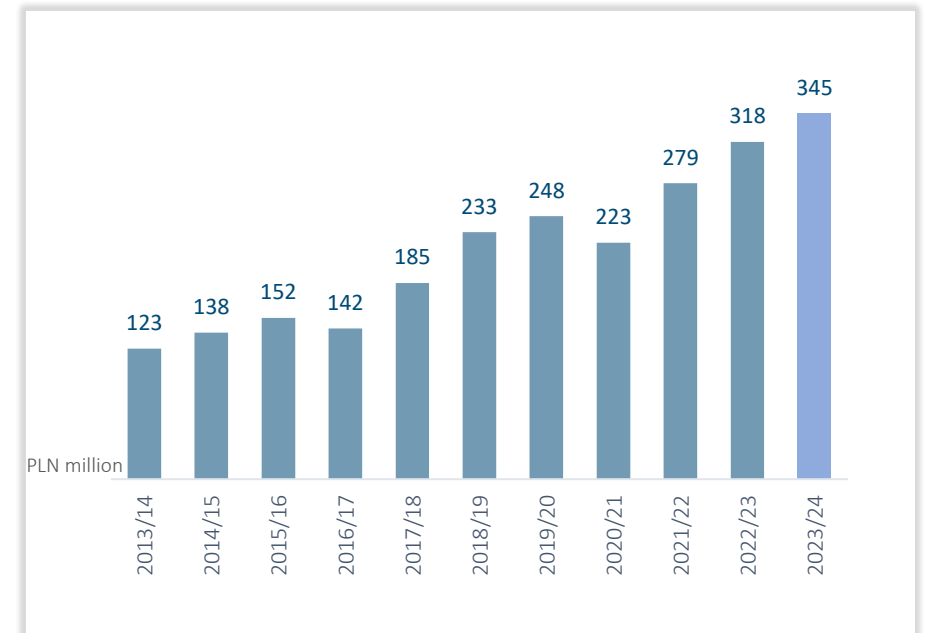
### PLN 713 mln

Book value of own portfolios

### PLN 353 mln

equity

## CONSISTENT INCREASE IN PAYMENTS <sup>1</sup>



<sup>1</sup> data includes the operations of the Russian company

The Group has been actively involved in the disposal of Limited Liability Company “Professional Collection Organization” Kredyt Inkaso RUS (hereinafter “KI RUS”), and therefore has classified KI RUS as discontinued operations, and the comparative data for the FY ended on 31 March 2023 have been modified: the financial result and consolidation adjustments concerning the Russian entity have been included in the result for discontinued operations. Unless specified otherwise, this presentation discloses the results of the Group from its continuing operations, i.e. without the operations in the Russian market.

1 Sum-up of FY 2023/2024

2 Financial and operating results

3 Financial condition

4 Corporate situation

5 Market environment

6 ESG and other key highlights in FY 2023/2024

7 Conclusions



## PAYMENTS

Record-high payments under own portfolios

**PLN 332 million**

**+15%** y/y

Increased payments in 3 key markets:

Poland **+16%** y/y

Romania **+14%** y/y

Bulgaria **+5%** y/y

Growing share of payments from the most recently acquired portfolios.

38% of debts recovered in 12M FY 2023/24 were from portfolios purchased in April 2020.



## INVESTMENTS

Continued significant investments in new portfolios

**PLN 206 million**

**+72%** y/y

Increased investments in the markets:

Poland **+79%** y/y

Romania **+52%** y/y

Visible effects of new purchases will be felt in next periods.



## FINANCING

Securing the financing for further expansion

**PLN 127 million**

Bond issue

**+289%** y/y

**PLN 10 million**

Overdraft facility

5 public bond issues: M1 (PLN 15 million), N1 (PLN 18 million), P1 (PLN 15 million), R1 (PLN 20 million) and S1 (EUR 5 million). O1 private bond issue (PLN 37.7 million) Overdraft facility of PLN 10 million

# Key financial information for FY 2023/2024

Payments under acquired portfolios

**PLN 332 million**

(+15% y/y)

Cash EBITDA <sup>1</sup>

**PLN 167 million**

(+6% y/y)

Net profit from continuing operations

**PLN 26 million**

(+34% y/y)

ERC

**PLN 1,516 million**

(+23% y/y)

Net debt<sup>2</sup>/ equity

**1.04**

(+0.15 y/y)

Net debt<sup>2</sup>/ LTM Cash EBITDA<sup>3</sup>

**2.20**

(+0.49 y/y)<sup>4</sup>

<sup>1</sup> Cash EBITDA = Operating profit/(loss) + depreciation of property, plant and equipment and intangible assets - interest income from purchased debts - revaluation of purchased debts + repayments under purchased debts

<sup>2</sup> Net debt = liabilities from credits, loans and other sources of financing and leasing liabilities less cash; includes cash and leasing liabilities of KI RUS

<sup>3</sup> LTM Cash EBITDA – Cash EBITDA for the last 12 months

<sup>4</sup> value of LTM Cash EBITDA for the previous period calculated taking into account Russian operations



1 Sum-up of FY 2023/2024

**2 Financial and operating results**

3 Financial condition

4 Corporate situation

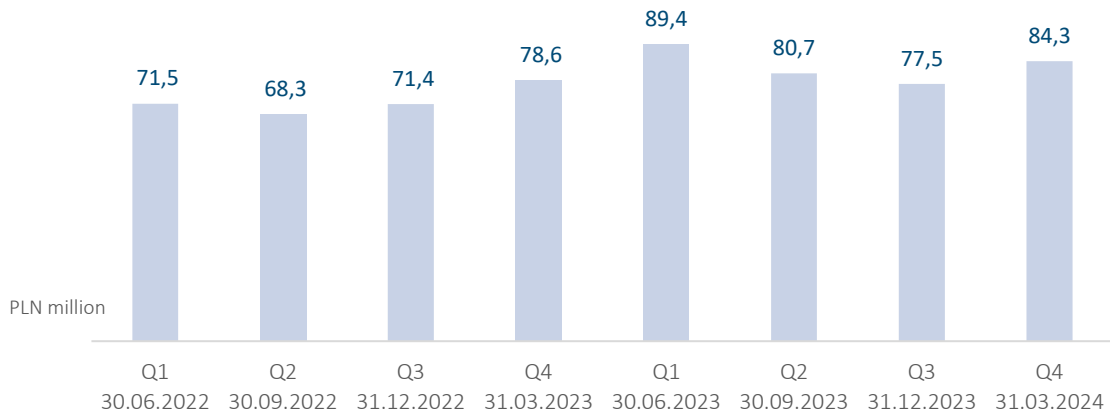
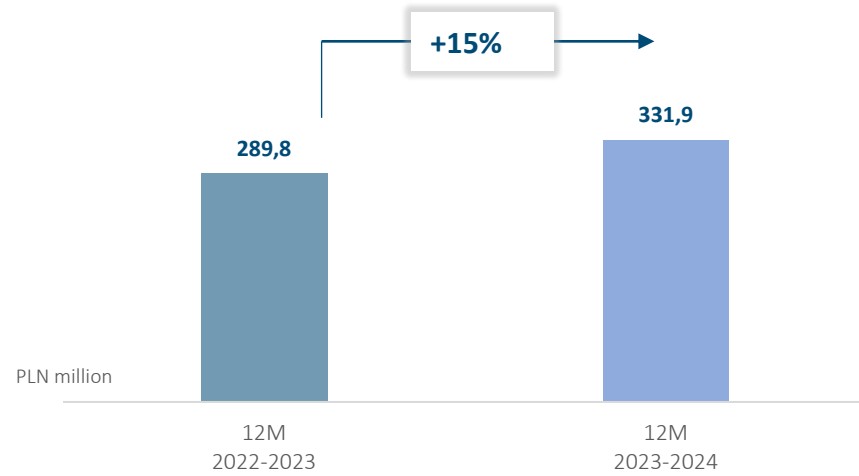
5 Market environment

6 ESG and other key highlights in FY 2023/2024

7 Conclusions

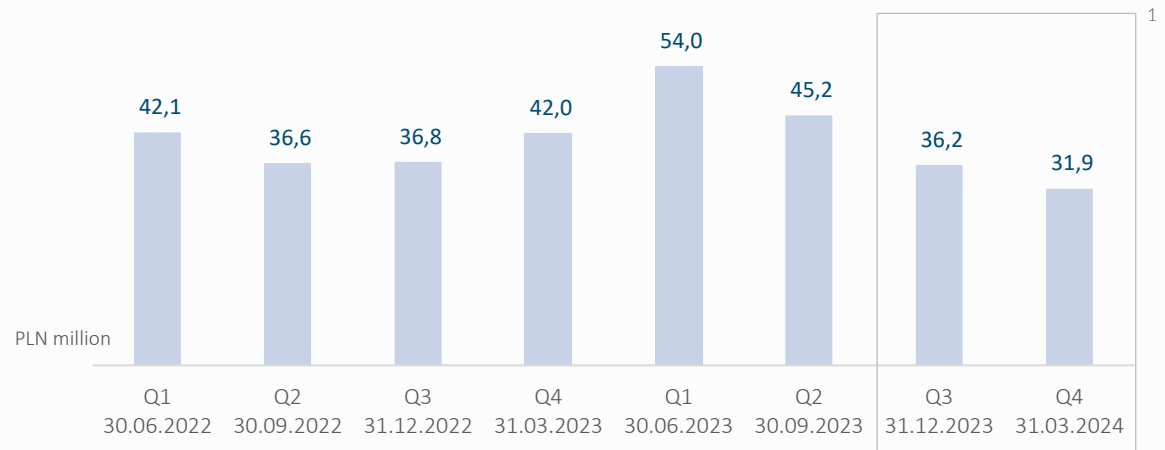
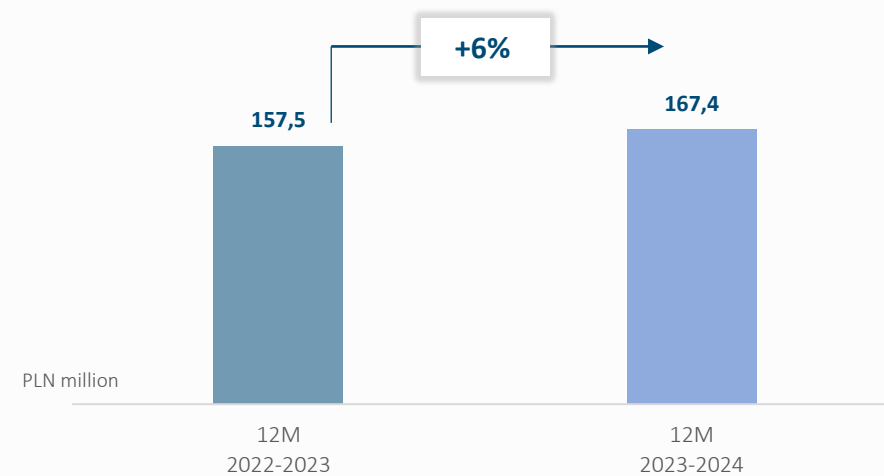
# Key results I

PAYMENTS UNDER ACQUIRED PORTFOLIOS



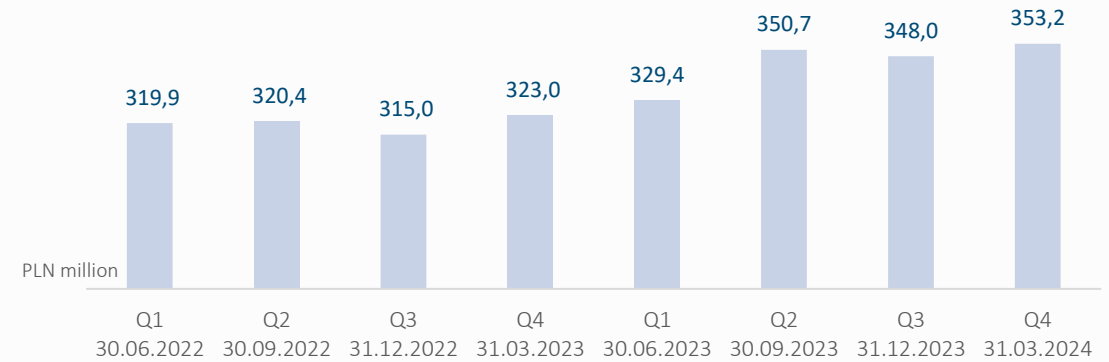
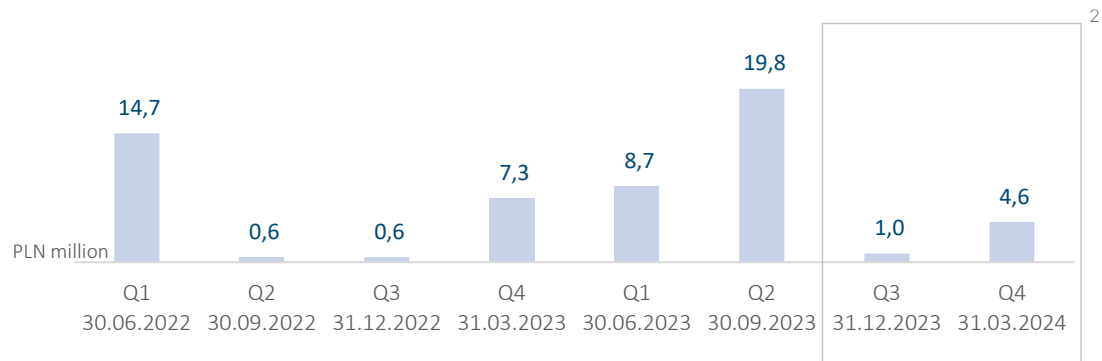
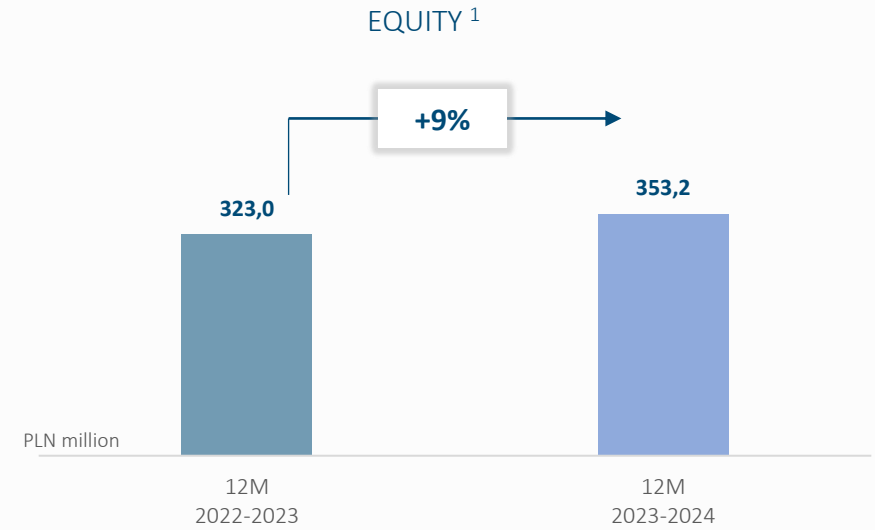
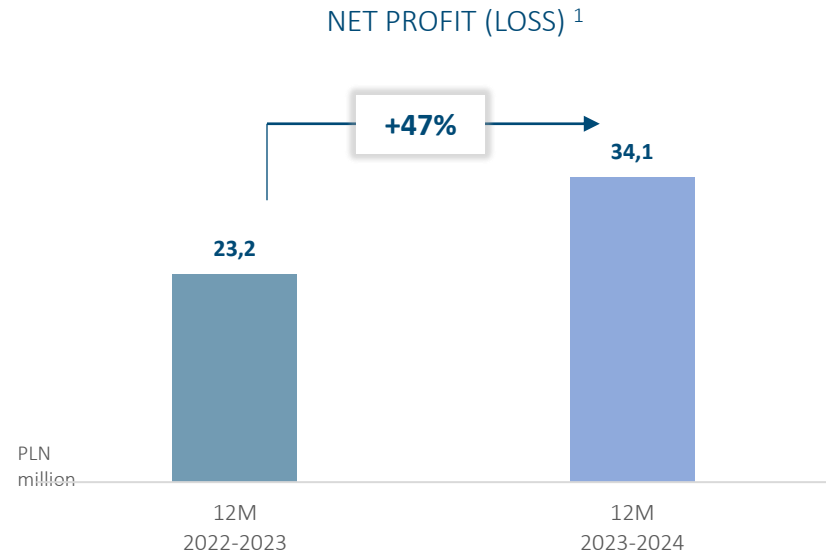
Presentation of results for the reporting period ended on 31 March 2024

CASH EBIDTA



<sup>1</sup> results subject to one-off costs – see the next slides

# Key results II



<sup>1</sup> data includes Russian operations

<sup>2</sup> results subject to one-off costs – see the next slides

# Income Statement I

	12M 2023/24			12M 2022/23							
	PLN thousand	12M 2023/24	Variation (%)	Q4 2023/24 <sup>1</sup>	Q3 2023/24 <sup>1</sup>	Q2 2023/24 <sup>1</sup>	Q1 2023/24 <sup>1</sup>	Q4 2022/23 <sup>1</sup>	Q3 2022/23 <sup>1</sup>	Q2 2022/23 <sup>1</sup>	Q1 2022/23 <sup>1</sup>
Payments		331 913	15%	84 376	77 474	80 704	89 360	78 542	71 376	68 312	71 543
Cash EBITDA		167 394	6%	31 943	36 220	45 190	54 042	41 980	36 766	36 601	42 112
Interest income		156 385	30%	43 177	40 665	37 987	34 555	32 601	29 495	29 357	29 014
Revaluation of debt portfolios		98 318	38%	30 120	17 268	27 351	23 580	25 171	12 844	11 822	21 402
Other net income		3 506	-10%	1 813	564	422	707	2 269	1 176	(661)	1 115
<b>Total net income</b>		<b>258 209</b>	<b>32%</b>	<b>75 110</b>	<b>58 497</b>	<b>65 760</b>	<b>58 842</b>	<b>60 041</b>	<b>43 515</b>	<b>40 518</b>	<b>51 531</b>
Wages, social security contributions		(58 968)	21%	(18 008)	(16 697)	(14 122)	(14 640)	(14 865)	(13 545)	(12 387)	(11 941)
Third-party services		(49 401)	24%	(12 408)	(11 392)	(10 076)	(10 482)	(9 729)	(8 885)	(8 145)	(8 643)
Court and enforcement fees		(43 478)	9%	(12 762)	(11 565)	(9 904)	(9 247)	(10 622)	(11 523)	(9 205)	(8 496)
Other		(24 637)	60%	(13 210)	(4 322)	(3 916)	(3 733)	(5 576)	(3 742)	(3 039)	(3 323)
<b>Total operating expenses</b>		<b>(176 484)</b>	<b>23%</b>	<b>(56 387)</b>	<b>(43 976)</b>	<b>(38 018)</b>	<b>(38 103)</b>	<b>(40 792)</b>	<b>(37 695)</b>	<b>(32 777)</b>	<b>(32 404)</b>
<b>Profit (loss) from operating activities</b>		<b>81 725</b>	<b>57%</b>	<b>18 723</b>	<b>14 521</b>	<b>27 742</b>	<b>20 740</b>	<b>19 249</b>	<b>5 819</b>	<b>7 741</b>	<b>19 127</b>
Net financial costs		(50 578)	53%	(11 887)	(16 100)	(9 386)	(13 204)	(10 452)	(9 903)	(6 791)	(5 950)
<b>Profit (loss) before tax</b>		<b>31 147</b>	<b>65%</b>	<b>6 836</b>	<b>(1 579)</b>	<b>18 355</b>	<b>7 535</b>	<b>8 797</b>	<b>(4 084)</b>	<b>950</b>	<b>13 177</b>
Income tax		(5 174)	n/a	(3 592)	800	(1 811)	(571)	1 888	1 151	(2 713)	195
<b>Net profit (loss) from continuing operations</b>		<b>25 973</b>	<b>34%</b>	<b>3 243</b>	<b>(779)</b>	<b>16 544</b>	<b>6 965</b>	<b>10 685</b>	<b>(2 933)</b>	<b>(1 764)</b>	<b>13 372</b>
<b>Net profit (loss) from discontinued operations</b>		<b>8 136</b>	<b>110%</b>	<b>1 406</b>	<b>1 782</b>	<b>3 262</b>	<b>1 686</b>	<b>(3 379)</b>	<b>3 544</b>	<b>2 372</b>	<b>1 338</b>
<b>Net profit (loss)</b>		<b>34 109</b>	<b>47%</b>	<b>4 649</b>	<b>1 003</b>	<b>19 806</b>	<b>8 651</b>	<b>7 306</b>	<b>611</b>	<b>608</b>	<b>14 710</b>

<sup>1</sup> separation of KI RUS business in quarterly historic data has been simplified, based on management data, which in terms of allocation of specific items in operating costs may slightly differ from the reporting data

	12M 2023/24	12M 2022/23
Forecast Review	41 855	(3 998)
Deviations of actual payments vs. forecasts	58 697	73 558
Prolonged periods of forecasted recoveries	1 102	1 188
FX changes	(3 336)	492
<b>Revaluation of debt portfolios</b>	<b>98 318</b>	<b>71 240</b>

	PLN thousand	12M 2023/24	12M 2022/23	Variation (%)
Wages, social security contributions and other benefits		58 968	48 706	21%
Third-party services		49 401	39 749	24%
Court and enforcement fees		43 478	39 847	9%
Depreciation		8 459	7 455	13%
Taxes and charges		9 200	1 744	428%
Materials and energy		2 219	2 126	4%
Other costs by type		4 759	4 041	18%
<b>Operating expenses</b>		<b>176 484</b>	<b>143 668</b>	<b>23%</b>
excluding court and enforcement fees		133 006	103 821	28%

- **The deviation of actual payments vs. forecasts** is still high, which produces the cash effect (actual cash inflows to GK) observable across all the markets where GK operates.
- The said deviations are lower than in FY 2022/23 because of **the continued improvement of valuation models** and the adaptation of their parameters to observable historical data, and, as far as reasonable, to trends and developments in the macroeconomic environment.
- The growing precision of the debt portfolio valuation models is reflected **in the relation between the deviation of actual payments vs. forecasts on the total of debts to be recovered in Q4 FY 2023/2024 (ca. 9%)**.
- This has also been reflected in **the positive result of the Forecast Review** (in FY 2023/2024 (the ratio between relevant revenues and the average book value of debt portfolios increased by 6%)
- Negative impact of FX differences (RON) – non-cash effect

### Dynamics of recurrent operating costs:

- Increase in **recurrent** operating costs y/y mainly due to higher **wage costs**
- Higher wage costs are principally induced by **the inflationary pressure (minimum wage increase)** in Poland, Romania and Bulgaria.
- Because of the expanding scale of our business and **a significant y/y growth in acquired debt portfolios the number of staff has slightly increased** as new resources were necessary to ensure the implementation and day-to-day operating management of acquired debts. **The total number of FTEs in the Group has increased by ca. 5% y/y**; however the number of staff in teams directly involved in debt collection (“Front Office”) has increased mainly in Romania.

# Income Statement II (continued)

	12M 2023/24	12M 2022/23
Forecast Review	41 855	(3 998)
Deviations of actual payments vs. forecasts	58 697	73 558
Prolonged periods of forecasted recoveries	1 102	1 188
FX changes	(3 336)	492
<b>Revaluation of debt portfolios</b>	<b>98 318</b>	<b>71 240</b>

	PLN thousand	12M 2023/24	12M 2022/23	Variation (%)
Wages, social security contributions and other benefits		58 968	48 706	21%
Third-party services		49 401	39 749	24%
Court and enforcement fees		43 478	39 847	9%
Depreciation		8 459	7 455	13%
Taxes and charges		9 200	1 744	428%
Materials and energy		2 219	2 126	4%
Other costs by type		4 759	4 041	18%
<b>Operating expenses</b>		<b>176 484</b>	<b>143 668</b>	<b>23%</b>
excluding court and enforcement fees		133 006	103 821	28%

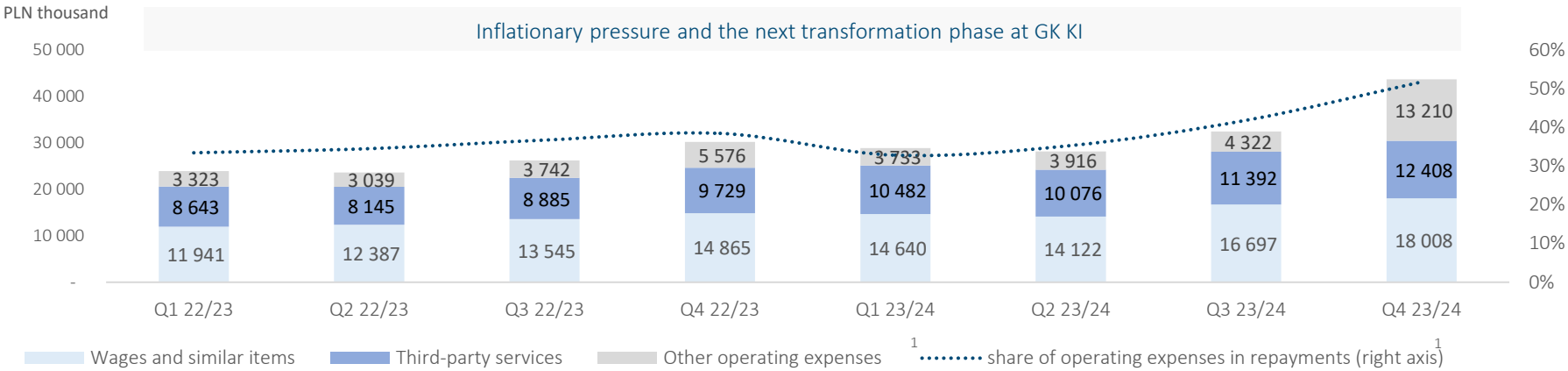
## One-off operating and financial costs and other untypical factors impacting the results in FY 2023/2024:

- A significant increase in the costs of external services is mainly due to costs incurred for the review of strategic options and the costs of in-depth reviews and tax consultancy across KI Group **(total costs of these items correspond to approximately PLN 5.5 million).**
- A provision for the court dispute in ROM (management staff of the Romanian company before 2018) was included in the wages item in FY 2023/2024: **approximately PLN 1.7 million.**
- A considerable increase in the costs of taxes and charges was due to the establishment of the provision for costs related to the withholding tax in the Romanian company in the amount of **PLN 6.9 million** (this applies to tax settlements between 2018 and 2024).
- The weakening exchange rate of RON to PLN translated into approximately **PLN 6 million** higher financial costs recognized in the Group's Income Statement (vs. 2022/2023).
- **The total impact of the aforementioned factors on the Cash EBITDA amounted to approximately PLN 14 million (the profitability of the Cash EBITDA adjusted with these factors was approximately 55%). Similarly, the impact of those factors on the net profit amounted to approximately PLN 20 million (the adjusted level of ROE was 16% [and 14% on continuing operations]).**
- External services also include costs **by almost PLN 5 million higher y/y** and linked directly with the purchase and collection of debt portfolios (e.g. mailing costs, ITC expenses or database feeding).
- Court and enforcement fees have increased y/y directly because of higher investments in portfolio.
- Investments referred to in the two last indents **should result in increased payments from debtors in the upcoming quarters.**

# Income Statement III

Operating costs (except court and enforcement fees)

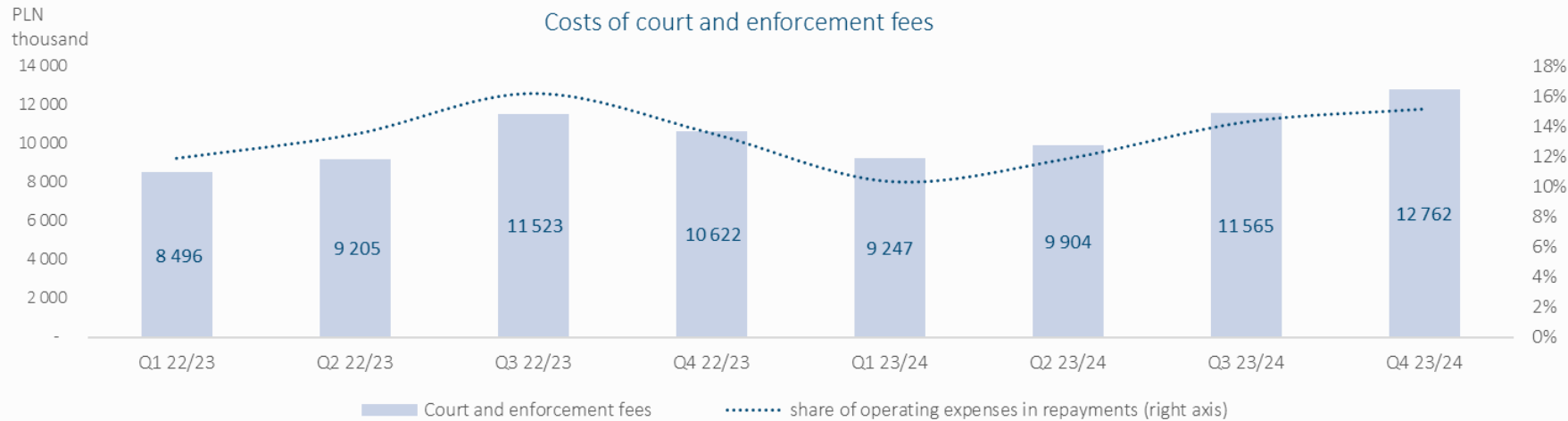
Inflationary pressure and the next transformation phase at GK KI



**Lower operating profitability in S2 FY 2023/2024** due to the impact of higher one-off/project costs. e.g. for the review of strategic options and the recognition of the withholding tax provision in Romania (see previous slide).

Share of **wages** in repayments (18% in FY 2023/24) at the level of **best industry benchmarks**, despite significant one-off expenses.

Costs of court and enforcement fees

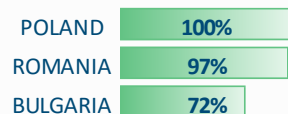


A higher share of court and enforcement fees in FY 2023/24 repayments should translate into a **higher level of repayments in the next periods** (mainly PL and RO).

<sup>1</sup> Excluding court and enforcement fees

## TRANSFORMATION OF OUR CORPORATE CULTURE

- Further improvement of process effectiveness and quality
- Implementation of the LEAN schedule for operating processes



\*as of 30.06.2024

- Completion of the Culture Project

## STATE-OF-THE-ART MANAGEMENT METHODS

- “COMPASS” – key KPIs management system
- BBSC “Kredyt Inkaso Management System”
- Process Management (Lean, BPMS)
- Project Management
- Implementation of the schedule for the Internationalisation Project

## ADVANCED DATA ANALYTICS AND TECHNOLOGY SOLUTIONS

- We are a data-driven organization, and all our decisions are made based on data at hand.
- We have advanced statistical models.
- We rely on communication based on the principles of behavioural economics
- We have created an RPA (Robotic Process Automation) department, in close cooperation with the team responsible for the LEAN management process.
- At present we have 17 robots, including 14 developed over the last year
- Next 19 robots are planned for deployment
- We plan to scale up our AI solutions

**-9%**

Staff turnover<sup>1</sup> (y/y)

14.9% → 13.5%  
2022/23 2023/24

**+15%**

Payment records (y/y)

**+9%**

Payment value per FTE (y/y)

**+36%**

FTEs saved thanks to the RPA (y/y)

45 FTEs → 61 FTEs  
2022/23 2023/24

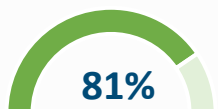


# Portal development and increased performance **ugodowi.pl**

- Dedicated marketing campaigns to promote the portal
- Diverse on-line payment methods
- A number of UX changes introduced to improve user experience
- We are keen to listen to the voice of our clients.



respondents say that the portal is very easy or easy in use



respondents positively assess ugodowi.pl Website



respondents would recommend the portal to others

**Witaj w nowej odsłonie portalu ugodowi.pl**

Magdalena! Zupelnie nowa odsłonia portalu ugodowi.pl. Serwis zostal przygotowany z uwaga na Twoja wygodnosc i oszczednosc czasu. Wzrostl poziom bezpieczenstwa i odswiezona szata graficzna. Teraz jeszcze latwiej mozesz zarzadzac swoimi zadluzeniami i odbierac dokumenty. Wskazujemy Ci nowe funkcje i zmiany, ktore pomoga Ci w bardziej efektywnym obslugiwaniu przez Kredyt Inkaso.

**Dbamy o bezpieczenstwo podczas spłaty dłuów**

Cześć, ugodowi.pl mozesz: oznacz status swojego zadluzenia

**OTO, CO ROBIMY, ABY TWOJE DANE I TRANSAKCJE BYLY CHRONIONE**

- Szyfrowanie danych i certyfikat**  
Każda Twoja interakcja z naszym serwisem jest bezpieczeniowa.
- Bezpieczne płatności online:**  
Nasz serwis jest potwierdzony globalnym certyfikatem standardów bezpieczenstwa w obslugiwaniu się danymi kart płatniczych.
- Polityka prywatności:**  
Dbamy o to, by zasady przetwarzania danych byly jasne i zrozumiale, a Twoje dane byly przetwarzane zgodnie z obowiazujacym prawem.
- Regularne aktualizacje i audyty**  
Dzięki ciągłemu monitorowaniu i ulepszaniu naszych systemów, mozesz mieć pewnosc, że Twoje dane są bezpieczenne.

**Dlaczego warto skorzystac z portalu ugodowi.pl?**

- Przejrzysty i intuicyjny serwis do spłaty zadluzenia
- Prosty i szybki – bez koniecznoscí wypelniania i odsylania dokumentów
- Dostepny 24h – w Twoim telefonie, komputerze, czy tablecie
- Wygodny – wszystkie uslugi dostepne w 100% online
- Ty decydujesz – samodzielnie zaplanujes spłate, dopasujes liczbę i wysokość rat

Pozbadz się swojego dłu na Twoich zasadach

Zaloguj się

Wybierz metode płatności

- Przelew online
- mBank
- Płatność BLIK
- Przelew online
- Portfel elektroniczny
- Płatność kartą
- Visa Mobile

Kwota: 1,00 PLN  
Numer zamówienia

**+135%**  
On-line payments (y/y)

**+114%**  
Share of on-line payments in amicable stream(y/y)

**+102%**  
New mobile users (y/y)

**+109%**  
Number of settlements (y/y)

**+128%**  
Value of settlements y/y)

1 Sum-up of FY 2023/2024

2 Financial and operating results

**3 Financial condition**

4 Corporate situation

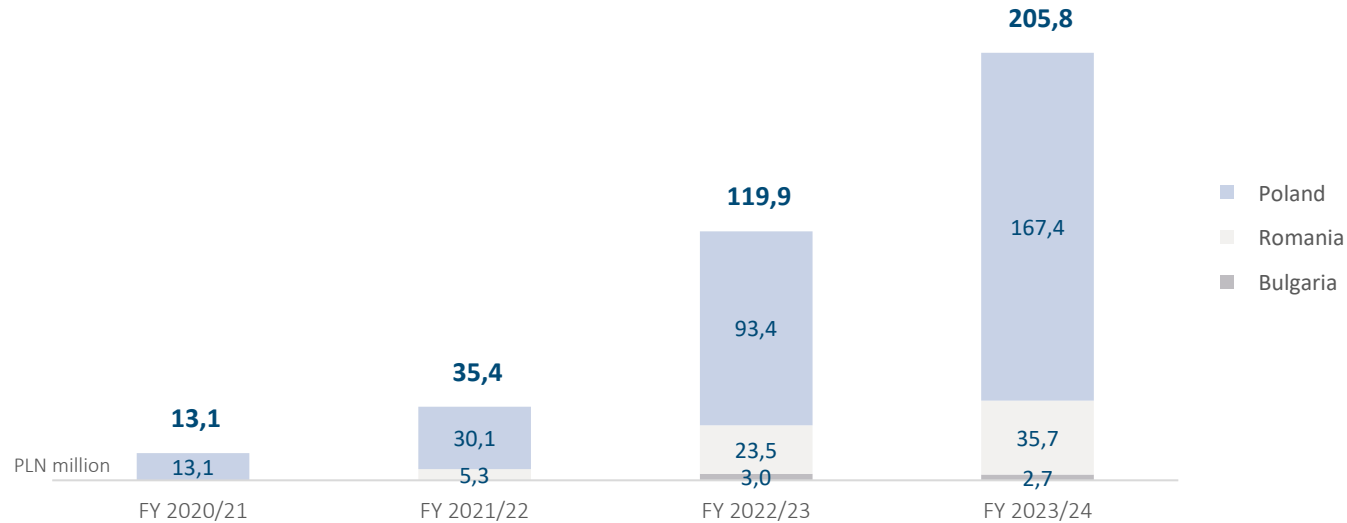
5 Market environment

6 ESG and other key highlights in FY 2023/2024

7 Conclusions

# Investments over the last 4 years

Investments in the acquisition of debt portfolios



Purchase date of debt portfolios	Purchase amount of debt portfolios (PLN million)	Payments from debtors in FY 2020/21 (PLN million)	Payments from debtors in FY 2021/22 (PLN million)	Payments from debtors in FY 2022/23 (PLN million)	Payments from debtors in FY 2023/24 (PLN million)	Payments from debtors Total (PLN million)	Payments/Purchase amount (%) FY 2020/21	Payments/Purchase amount (%) FY 2021/22	Payments/Purchase amount (%) FY 2022/23	Payments/Purchase amount (%) FY 2023/24	Payments/Purchase amount (%) Total
2020/21	13,1	3,5	16,3	15,0	10,1	44,9	27%	125%	115%	77%	344%
2021/22	35,4	-	2,7	22,5	17,8	43,1	-	8%	64%	50%	122%
2022/23	119,9	-	-	18,1	60,8	79,0	-	-	15%	51%	66%
2023/24	205,8	-	-	-	37,0	37,0	-	-	-	18%	18%
<b>Total</b>	<b>374,2</b>	<b>3,5</b>	<b>19,0</b>	<b>55,7</b>	<b>125,7</b>	<b>204,0</b>					

Continued significant investments in new portfolios

**PLN 205.8 million**

**1,7x**

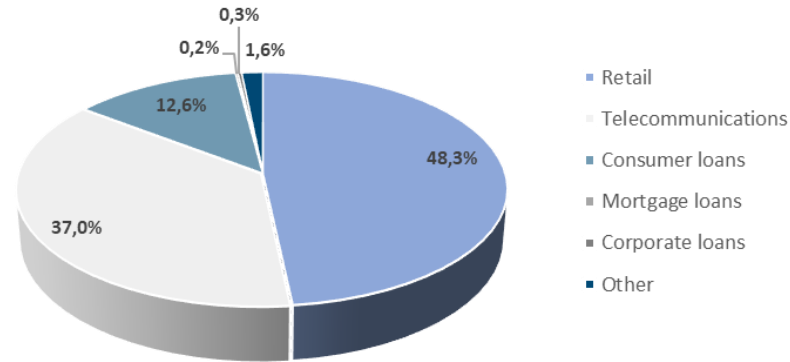
FY 2023/24 vs FY 2022/23

Plans for further growth of investments in Poland, Romania and Bulgaria.



# Features of portfolios held by GK KI

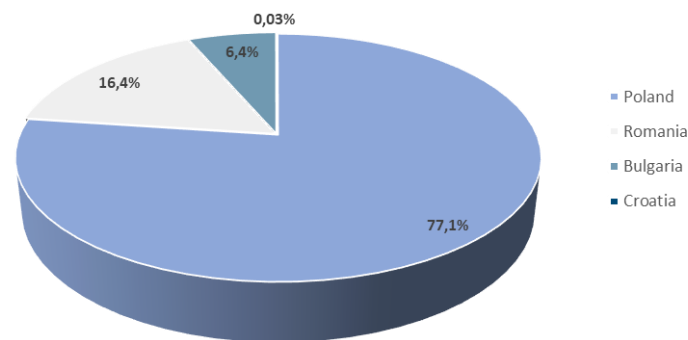
Types of debt portfolios according to their balance sheet value as of 31 March 2024



Balance sheet value as of 31 March 2024

**PLN 713.4 million**

Balance sheet value of debt portfolios held by GK KI split by country of origin as of 31 March 2024



Balance sheet value of debt portfolios held by GK KI split by type (PLN million)

	Balance sheet value as of 31 March 2024	Percentage share (%)	Variation y/y (p.p.)
Retail	344,5	48,3	0,8
Telecommunications	264,2	37,0	4,4
Consumer loans	89,8	12,6	(0,6)
Mortgage loans	1,3	0,2	(3,9)
Corporate loans	2,1	0,3	(2,2)
Insurance	0,2	0,0	(0,0)
Other	11,3	1,6	1,6
<b>Total</b>	<b>713,4</b>	<b>100,0</b>	

Balance sheet value of debt portfolios held by GK KI (PLN million)

	Repayments by debtors 12M 2023/2024	Balance sheet value as of 31 March 2024	Percentage share (%)	Variation y/y (p.p.)
Poland	253,4	550,3	77,1	(1,1)
Romania	55,2	117,0	16,4	0,1
Bulgaria	23,0	45,8	6,4	1,1
Croatia	0,3	0,2	0,03	(0,0)
<b>Total</b>	<b>331,9</b>	<b>713,4</b>	<b>100,0</b>	

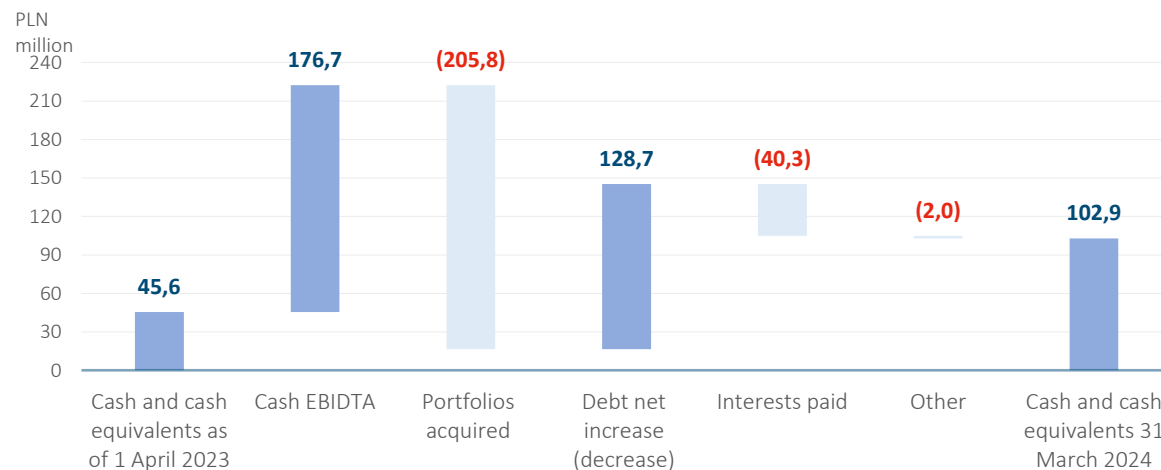
# Cashflows and cash position<sup>1</sup>

Cash flow [ PLN million]	12M 2023/24 <sup>1</sup>	12M 2022/23
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>45,6</b>	<b>98,2</b>
Operations	176,3	166,8
Investments	(203,9)	(129,8)
Financial activities	87,9	(91,1)
FX differences	(3,1)	1,4
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>102,9</b>	<b>45,6</b>

In FY 2023/24 the Group made the debt portfolio acquisition transactions for **PLN 205.8 million**, of which all were entirely paid before the balance sheet date.

Purchases made in FY 2023/24 were **1.7 times higher** than acquisitions **in the previous financial year** (new agreements for the purchase of debt portfolios were signed after the balance sheet date).

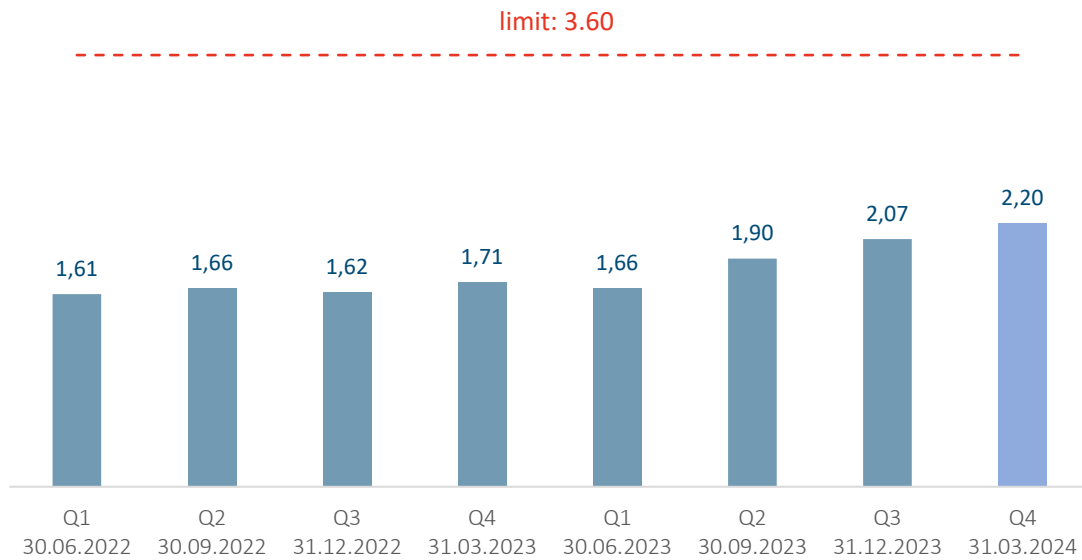
The Group is ready to make **further significant expenditure on portfolio acquisition**, and prospects in the upcoming quarters are promising (expected supply of portfolios on the market).



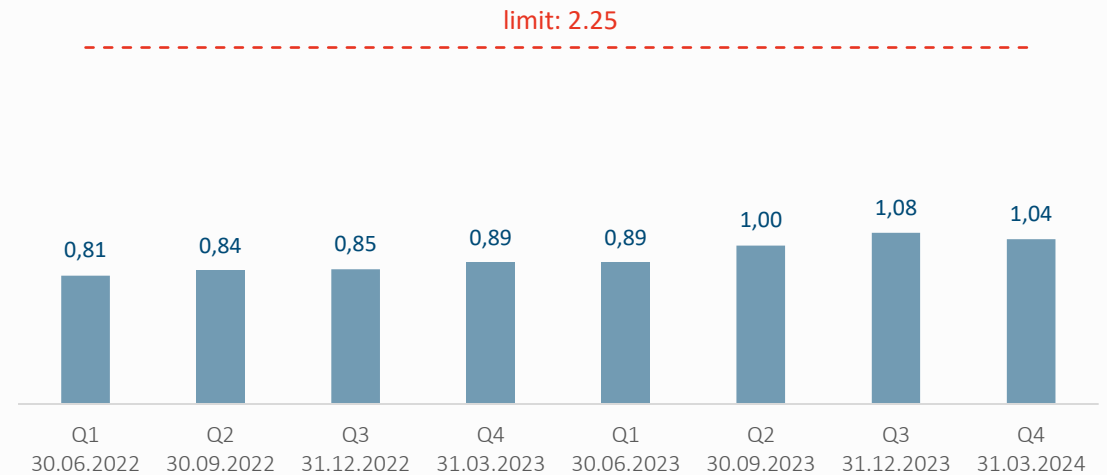
<sup>1</sup> data includes the operations of the Russian company

# Debt ratios

NET DEBT/ LTM CASH EBIDTA<sup>1</sup>



DEBT NET/EQUITY<sup>1</sup>



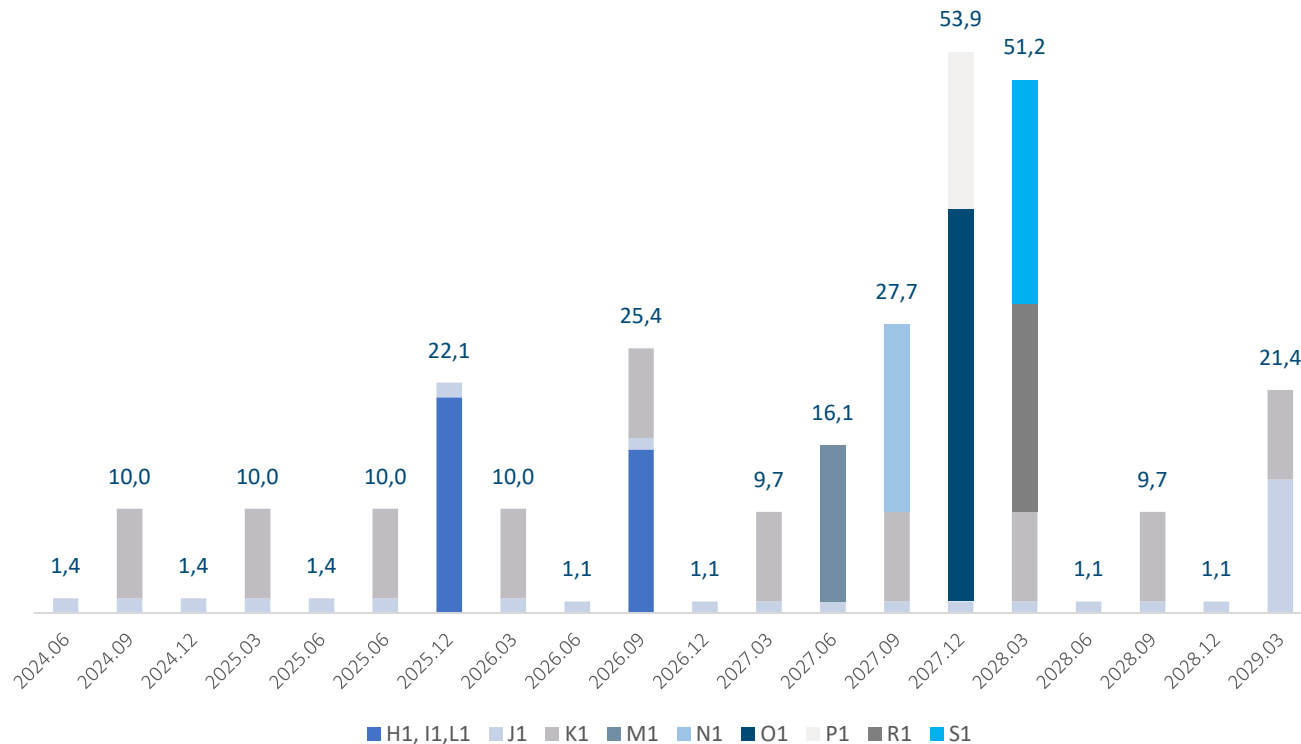
<sup>1</sup> debt ratios for the past reporting periods have not been modified following the separation of our Russian operations

Ambitions and capabilities for new investments thanks to **our safe indebtedness level** (Debt Net/LTM CASH EBITDA and Net Debt).

**Net debt** as of 31 March 2024 at **PLN 367.5 million** (+27% y/y).

# The safe redemption plan for pending bonds, with more financing options.

Schedule for bond redemptions as of 30 June 2024



- **As of the balance sheet date, i.e. 31 March 2024, there were 11 series of bonds of Kredyt Inkaso Group, with the nominal value of PLN 285.7 million.** The structure of bondholders is diversified, with a significant share of both financial institutions and individual investors.
- **New bond issues and the availability of a revolving credit facility** give the Group sufficient liquidity to move to new and large investments.
- **As of 31 March 2024, the Group's debts under loans amounted to ca. PLN 177 million.** This item covered in full two loans granted to the Group by ING Bank Śląski. **The total available limit amounts to PLN 200 million, and these funds can be used to finance the acquisition of debt portfolios.** The depreciation period for each financing instalment is 5 years, and as of today the existing loan agreements should finally expire at the end of 2032.
- In Q1 2023/2024, the Company also concluded an agreement with ING Bank Śląski S.A for an **overdraft facility of PLN 10 million** and a loan guarantee in the amount of PLN 449,000. With this agreement, the Group **has additionally streamlined its short-term liquidity management process.**
- **As of 31 March 2024 the Group held nearly PLN 103 million of cash and cash equivalents (including PLN 10,4 million held at KI RUS).**

1 Sum-up of FY 2023/2024

2 Financial and operating results

3 Financial condition

**4 Corporate situation**

5 Market environment

6 ESG and other key highlights in FY 2023/2024

7 Conclusions



## Strategic options

- As of the Approval Date, the process of reviewing strategic options discussed in the Current Report of Kredyt Inkaso SA No. 60/2022 dated 30 September 2022, and the Current Report No. 09/2023 dated 4 April 2023, has not been completed; therefore, no binding decisions have been made yet regarding the type of strategic option to be implemented upon its completion.
- A limited number of potential investors have been involved in the current phase of the strategic options review, and the scope of scenarios examined by the Company includes potential transactions on its assets or the assets of its affiliates (including, among others, division of the Company by separation).
- Based on the information obtained in the options review, one of our shareholders, BEST S.A., made a share acquisition offer to the majority shareholder, WPEF VI Holding 5, and informed the Company and the market accordingly in their Current Report no. 12/2024. The details of the offer are not known to the Company.
- The decision to implement one of the strategic options under development, if any, will be made by the Company's shareholders at their General Meeting. It cannot be ruled out that this process will end with the decision to maintain the status quo.
- At present no completion date for the strategic option review has been determined, and the relevant information about its completion will be announced, as required. The Board and advisors intend to complete the process in Q3 2024.

## Operations of the Russian company classified as discontinued

- As a result of steps taken last year to dispose of the Limited Liability Company “Professional Collection Organization”, Kredyt Inkaso RUS, the Group has made the decision to classify the operations of the Russian company as discontinued, and the assets and liabilities of the said entity as held for sale. Detailed financial data and the impact of the discontinuation of KI RUS on the Group's results have been included in Note 23 to the Consolidated Financial Statements of the Company.

## Legal changes which have been implemented recently

### Act of 6 October 2022 amending laws on combating usury

The Act introduces mandatory checks of the borrower's creditworthiness. This obligation falls also on debt purchasers who need to demonstrate their compliance with the requirement upon receiving loans from lending institutions.

### Act of 7 July 2023 amending certain laws in order to mitigate certain effects of identity theft

The Act is intended to strengthen safeguards against abuses arising from the theft of direct individual identifying data and, in particular, to reduce the scale of loans, credits or other commitments subscribed with the use of stolen data. From the perspective of the debt purchaser, it will be important to demonstrate that upon contracting the lender (bank, lending institution) has actually verified their PESEL identification number in the reservations register.

### Act of 16 August 2023 amending certain acts to ensure the development of the financial market and safeguards to investors in this market

Following the Act amending certain laws to ensure the development of the financial market and safeguards to investors in this market, which entered into force on 29 September 2023, investment funds – members of the Group – changed their name from Non-Standardised Closed-end Securitisation Investment Funds to Non-Standardised Closed-end Debt Investment Funds.

## Legal changes to be implemented soon

### Whistleblower Protection Act

The Act transposes Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons reporting infringements of Union law into the Polish jurisdiction.

The new Act introduces the obligation to:

- Have understandable and easily accessible procedures which set out the rules for reporting and handling whistleblowing.
- Implement a secure reporting channel for handling whistleblower reports to enable confidential and/or anonymous whistleblowing;
- Designate whistleblower report takers and reviewers and an impartial unit authorised to take follow-up measures;
- Provide opportunities for whistleblowers to report issues both verbally and in writing;
- Respond to whistleblowing in a timely manner – 7 days to acknowledge receipt of the report and 90 days to investigate.

| Presentation of results for the reporting period ended on 31 March 2024

## Upcoming legal changes

### The draft act on credit servicers and credit purchasers

On 28 May, the next (fifth) version of the draft act on credit servicers and credit purchasers was published. The main goal of this piece of legislation is to allow banks to more easily dispose of non-performing loans, i.e. those whose debtor is in default for at least three months.

The new draft regulates the following issues:

- legal framework for credit servicers, including the rules for their licensing once they have met relevant criteria;
- business requirements, rights and obligations of loan purchasers who acquire the lender's rights under the non-performing loan agreement;
- supervision of the businesses of credit servicers and credit purchasers and their representatives by the Polish Financial Supervision Authority (KNF);
- criminal provisions to sanction credit servicers who run their business without required licensing;
- The lender's obligation to provide information in order to allow the credit purchaser to get relevant details for the assessment whether such agreement will be recoverable.

### Draft legislative amendments on the Electronic Admonitory Proceedings (EPU 3.0)

Once implemented, the amended provisions will ensure the following advantages:

- better access to the justice system in admonitory proceedings;
- higher user satisfaction with the IT system used to manage the E-Admonitory Proceedings;
- more effective use of human resources through the streamlining of business processes;
- better reliability and security of the IT system used to manage the E-Admonitory Proceedings;
- increased flexibility and readiness for change in the legal environment, which in turn will foster changes to the IT system used to manage the E-Admonitory Proceedings.

### The Ministry of Justice has launched works on legislative amendments to enable attorneys-at-law to submit procedural documents in appeal proceedings via the court information portal, and to use it for the mutual service of writs.

According to the draft changes proposed by the General Council of the Bar, writs could be filed to the court by barristers and legal counsels via the accounts in the information portal. This would apply to appeal measures brought in civil proceedings, e.g. appeals or complaints, replies to such measures and further writs in the appeal proceedings, if any.

1 Sum-up of FY 2023/2024

2 Financial and operating results

3 Financial condition

4 Corporate situation

**5 Market environment**

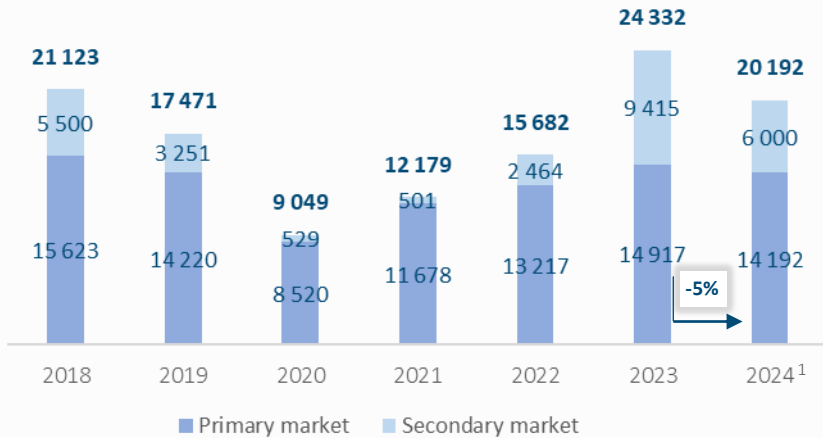
6 ESG and other key highlights in FY 2023/2024

7 Conclusions

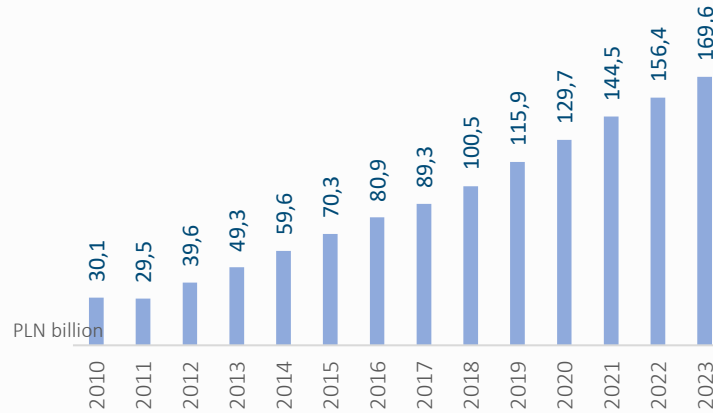
# Debt collection market in Poland



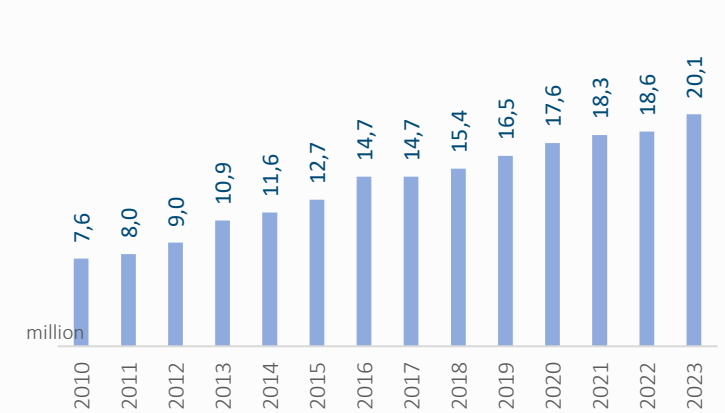
Supply of debt portfolios over the years



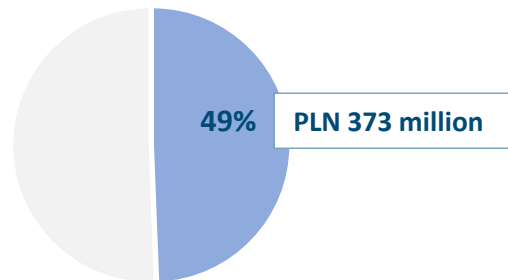
Value of claims under management<sup>3</sup>



Number of claims under management<sup>3</sup>



KISA's share in the telecommunications portfolios market in 2023, according to their nominal value<sup>2</sup>



	2024 Forecast	2025 Forecast
HICP Inflation*	4,3%	4,2%
Unemployment rate**	5,1%	5,0%
GDP growth rate***	2,8%	3,4%

\*data according to the EC  
 \*\*data according to the Ministry of Labor, Family and Social policy  
 \*\*\*data according to the Analysis Office of the Polish Development Fund (PFR) "Overview of European Economies. Selected Macroeconomic Indicators in the EU, EFTA and the UK" June 2024

- The sales of non-performing debt portfolios on the primary market will stay at a level similar to 2023.
- In Poland we still face low unemployment and wage pressure.
- Most probably there will be no significant drop in the inflation rate, and interests rates will stay high, which in turn will translate into a higher number of NPLs in the upcoming years.
- As banks have been striving to further improve their financial results, they will mostly sell better quality debt portfolios.
- As a result of further CJEU's rulings regarding borrowers' claims, an additional burden may be imposed on the banking and lenders' sector.

<sup>1</sup> Forecast of portfolio supply in 2024 – own estimates

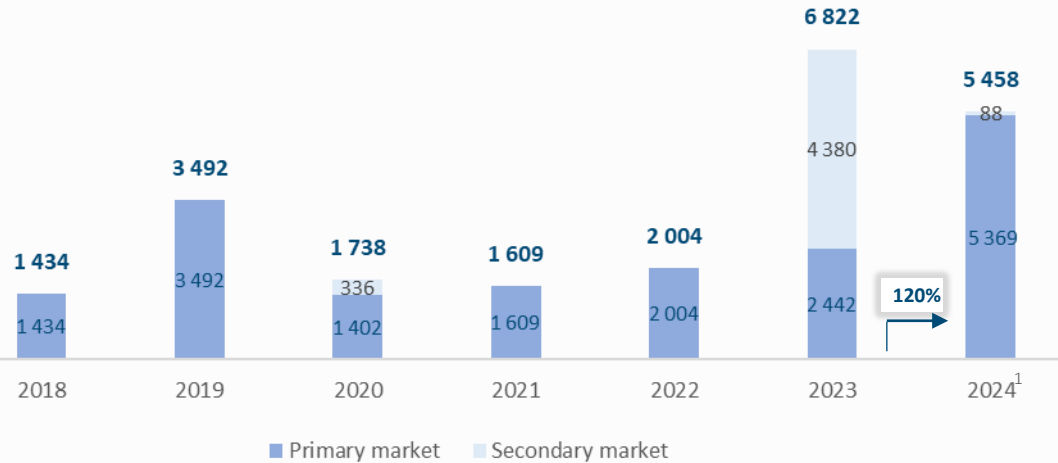
<sup>2</sup> Own estimates

<sup>3</sup> Data from the report by the Association of the Financial Companies in Poland (ZPF) "Size of the Polish Debt Collection Market in Q4 2023".

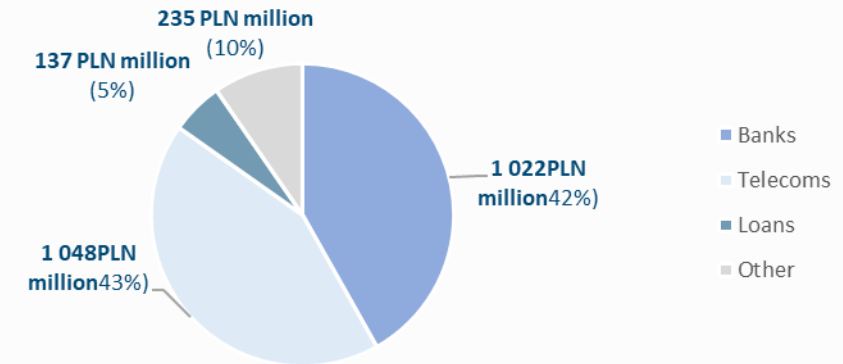
# Debt collection market in Romania



Supply of debt portfolios over the years



Supply of debt portfolios on the primary market in 2023 according to their nominal value <sup>2</sup>



<sup>1</sup> Forecast for the portfolio supply in 2024 – own estimates, <sup>2</sup> Own estimates

	2024 Forecast	2025 Forecast
HICP Inflation*	5,9%	4,0%
Unemployment rate**	5,5%	5,5%
GDP growth rate***	3,3%	3,1%

\*data according to the EC

\*\*data according to the EC

\*\*\*data according to the Analysis Office of the Polish Development Fund (PFR) "Overview of European Economies.Selected Macroeconomic Indicators in the EU, EFTA and the UK June 2024"

- The supply of debt portfolios increased by 22% in 2023 in comparison with the preceding year.
- In 2024 it may be expected that the supply of new denomination debt portfolios will progress further by 120%. The significant part of this increase comes from the transaction on bank corporate debts. Without this one-off deal, the estimated market increase would be of ca. 35%.
- In 2024 the projected increase in the share of bank debt portfolios in the total supply will reach 84%.

- **The NPL directive** was implemented in Romania in March 2024. The text introduces, for example:
  - the requirement to quarterly report on activities of claim management companies to the Consumer Protection Office,
  - and the extension of the data retention period for businesses from the industry from 5 to 10 years.

1 Sum-up of FY 2023/2024

2 Financial and operating results

3 Financial condition

4 Corporate situation

5 Market environment

**6 ESG and other key highlights in FY 2023/2024**

7 Conclusions



## ENVIRONMENT

- the company car fleet progressively replaced with more eco-friendly vehicles,
- compliance with requirements for the disposal of electronic equipment, printer cartridges and fluorescent lamps,
- quarterly reports on direct and indirect GHG emissions from scope I and II, in Poland, Romania and Bulgaria, produced in line with the GHG Protocol methodology,
- Office in Zamość renovated (e.g. window replacement and lift upgrade) – better energy performance of the building, with direct impact of these measures on lower heat and energy consumption;



## SOCIETY

- Kredyt Inkaso has signed “the Diversity Charter”, i.e. an international initiative under the helmet of the EU intended to combat any form of discrimination and to ensure the creation and advancement of diversity at the workplace;
- webinar for the staff to support education in order to counteract discrimination, promote and apply equal treatment policies and build the corporate culture based on respect for diversity;
- relations with clients built based on the respect of their rights and understanding of their life condition;
- education measures to help people get out of debt and promote an economical way of life;
- involvement in the education campaign by the Association of Financial Companies in Poland (ZPF) “Debt collection – you’re on!”;
- financial support to individuals assisted by “Siepomaga” charity foundation and the “Help Children in Time” Foundation;
- cycle of wellbeing training workshops for the staff to show good breathing techniques;
- our staff have been actively encouraged to create the corporate list of non-profit organisations and to transfer 1.5% of their due income tax upon filing the PIT-a annual tax return;



## CORPORATE GOVERNANCE

- operations carried out in line with applicable laws and regulations and in compliance with the highest ethical standards, as reflected, among all, by KI Group Code of Ethics;
- compliance with “Good Practices of WSE Listed Companies 2021”,
- the consecutive Ethical Audit run by the Ethics Committee of the Association of Financial Companies in Poland (ZPF) completed successfully;
- successful audit which confirmed our compliance with the requirements of PN-EN ISO/IEC 27001:2017-06 regarding the establishment, implementation, maintenance and continuous improvement of the information security management system and the estimation and handling of information security risks.

# Key highlights in 2023/2024

## Kredyt Inkaso among the strongest brands in Poland

Kredyt Inkaso has been ranked second in the Top Brand ranking, in “Debt Collection Agency” category. The survey was launched at the initiative of “Press” magazine and carried out by PSMM Monitoring & More company. It presents the strongest brands in the Polish economy through the lenses of their image in traditional media and on the Internet.



## Kredyt Inkaso has diversity in its DNA

Kredyt Inkaso has joined those who signed the Diversity Charter. We are the only company from the claims management industry listed on the Warsaw Stock Exchange and led by the female CEO. The respective share of women and men in the Management Board and in the management team is fifty-fifty.

## Successful debut of Kredyt Inkaso in the Responsible Business Forum Report

As many as five Kredyt Inkaso practices were included in the 22<sup>nd</sup> edition of the Responsible Business Forum Report “Responsible Business in Poland. Good practices”: the signing of the Diversity Charter, regular on-line chat meetings of the Management Board and the staff, the “Two Hours for the Family” initiative and the “Birthday Surprise” to promote work-life balance, as well as first aid training.



## Kredyt Inkaso in the state-of-the-art office in Lublin.

Since April 2023, the Lublin-based office of Kredyt Inkaso is headquartered at Zana Street, 39. The corporate operating center occupies the entire eighth floor of the building, i.e. the surface of more than 520 m<sup>2</sup>. This modern, open and friendly space has improved the team’s comfort at work, fosters its cooperation and productivity. This change comes as a response to the hybrid work model in place at the Company.

## Development program for managers

In April 2023 Kredyt Inkaso launched the development program for women and men on management positions entitled: “Challenges of Modern Leadership”, which will last until the end of 2024. It was preceded by the Development Centre, i.e. the analysis of the Group’s potential based on the talent development method. This was the starting point for a cycle of trainings which helped highlight strengths and development areas of our management team. This helped us to profile workshops according to pre-identified participants’ needs.





1 Sum-up of FY 2023/2024

2 Financial and operating results

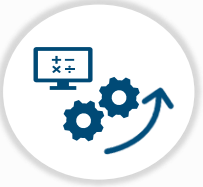
3 Financial condition

4 Corporate situation

5 Market environment

6 ESG and other key highlights in FY 2023/2024

**7 Conclusions**



## TRANSFORMATION

**Effective transformation across the Group** in key areas: data analysis and portfolio valuation, debt collection strategy, IT systems, management reporting, project organization, process optimization (lean management), corporate culture.



## PEOPLE

**Strong management team** with high level of skills and many years of experience in the industry, consistently building the value of the organization for stakeholders.



## DEVELOPMENT OF MARKETS

**Strong position in Poland**, presence and opportunity to further consolidate our position in the growing profitability-attractive **foreign markets (Romania and Bulgaria)**.



## RESULTS

**All-time record financial results** as the evidence of the effective transition process and better operational efficiency.



## EFFECTIVENESS AND POTENTIAL FOR FURTHER GROWTH

**Effective operating platform** ready to scale up our business without any significant additional costs. **Potential to further streamline** the operating platform, automation and robotization of workflows with the AI tools, upgrades of IT systems.



## REVIEW OF STRATEGIC OPTIONS

**Continued development of the Company's value**, depending on the choice of the relevant strategic option.



**KREDYT INKASO**

*A place for good solutions*

# Thank you for your attention!

## **Barbara Rudziks**

President of the Board

e-mail: [barbara.rudziks@kredytinkaso.pl](mailto:barbara.rudziks@kredytinkaso.pl)

## **Iwona Słomska**

Vice-President of the Board

e-mail: [iwona.slomska@kredytinkaso.pl](mailto:iwona.slomska@kredytinkaso.pl)

## **Maciej Szymański**

Vice-President of the Board

e-mail: [maciej.szymanski@kredytinkaso.pl](mailto:maciej.szymanski@kredytinkaso.pl)

## **Mateusz Boguta**

Board Member/CFO

e-mail: [mateusz.boguta@kredytinkaso.pl](mailto:mateusz.boguta@kredytinkaso.pl)