KREDYT INKASO

*Miejsce dobrych rozwiązań*

# Financial results of Kredyt Inkaso Group for 3 quarters of the financial year **2024/2025**

*27.02.2025*

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The scenario of the Company's merger with BEST S.A., which is being implemented subsequently to the review of strategic options as referred to in the Presentation, is currently the preferred strategic option that the Company has been pursuing. Work on the merger is ongoing. As of today it remains uncertain whether and when the Company's shareholders will adopt a merger resolution, however there are no reasons to presume that adopting such merger resolution is impossible.

# Agenda

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1 Key figures

2 Financial results

3 Financial situation

4 Corporate situation

5 Market environment

6 Cultural transformation

7 Summary

# Notice

As the Group has been actively involved in the sale of 'Limited Liability Company Professional Collection Organisation Kredyt Inkaso RUS' ('KI RUS'), this entity has been classified as 'discontinued operations' as of 31 March 2024 (upheld also for the current reporting period), and the historical comparative figures have been restated, namely the financial result and consolidation-related adjustments concerning this the Russian entity were incorporated into the result of discontinued operations. Unless stated otherwise, this document shows the results of the Group generated by its continued operations (without the Russian business).

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# KI Group – key figures

## KEY FIGURES[1]

**23 years**
in Poland
**17 years** on the WSE

**565**
staff on 4 markets
PL, RO, BLG, RUS

**> 11 years**
experience in 5 CEE markets:
EN, RO, BLG, RUS, CRO

**PLN 1.6 billion**
bonds issued
including nearly **Pln 1.3 billion** redeemed

**> PLN 1 billion**
portfolio investments (historical)

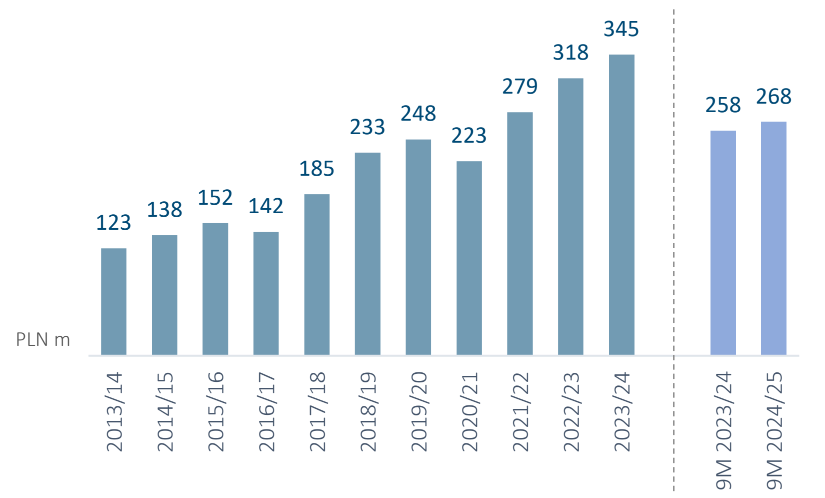
**> PLN 2.9 billion**
GCC on own portfolios (historically)

**PLN 1.6 billion**
ERC from own portfolios
**+2.0 million** of cases

**PLN 766 m**
book value of own portfolios

**PLN 347 m**
equity

## CONSISTENT INCREASE IN PAYMENTS[1]




[1] data includes operations of the Russian unit

ZPF Związek Przedsiębiorstw Finansowych w Polsce KNF CATALYST GPW

# KI Group – key figures

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## PAYMENTS

**PLN 260 m**
in 9M (+5% y/y)

**Record-high payments of own portfolios**

Growing share of payments of younger portfolios. 44% of profits in 9M of 2024/2025 were generated by portfolios purchased after April 2020

## INVESTMENTS

**PLN 136 m**
in 9M (-27% y/y)

**Lower y/y investment in new portfolios**

Noticeably lower level of investments y/yin Poland (-44%) and simultaneous 46% increase in investments in Romania.

After the weaker Q2, portfolio investments accelerated again in Q3 2024/2025.

## FINANCING

**PLN 100 m**
Revolving facility

**PLN 30 m**
Bond issue

**Financing secured for future growth**

A KI Group entity, namely the investment fund called Kredyt Inkaso III NFIZW, concluded with Santander Bank Polska S.A. a credit facility agreement up to PLN 100 m (July 2024).
No-prospectus issue of T1 bonds for PLN 30 million (November 2024).
New prospectus approved by the Polish Financial Supervision Authority on 31.01.2025 (up to PLN 200 million).

# Key financial figures for the 3 quarters of the year 2024/2025

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| Repayments of purchased portfolios | CASH EBITDA [1] | Net profit from continued operations |
|---|---|---|
| **PLN 260 m** | **PLN 131 m** | **PLN -9 m** |
| (+5% y/y) | (-3% y/y) | |

| ERC | Net debt[2]/ shareholders equity | Net debt[2]/ LTM cash EBITDA[3] |
|---|---|---|
| **PLN 1,605 m** | **1.10** | **2.34** |
| (+7% y/y) | (+0.02 r/r) | (+0.28 r/r)[4] |

[1] Cash EBIDTA = Operating profit/(loss) + depreciation of tangible fixed assets and intangible assets - interest income from purchased portfolios - revaluation of purchased portfolios + repayments of purchased portfolios

[2] Net debt = liabilities from credit facilities, loans and other sources of financing plus liabilities from leasing less cash, including cash and leasing liabilities of KI RUS

[3] LTM CASH EBIDTA - CASH EBIDTA for the last 12 months

[4] Value of LTM CASH EBIDTA for the previous reporting period, calculated together with operations in Russia.

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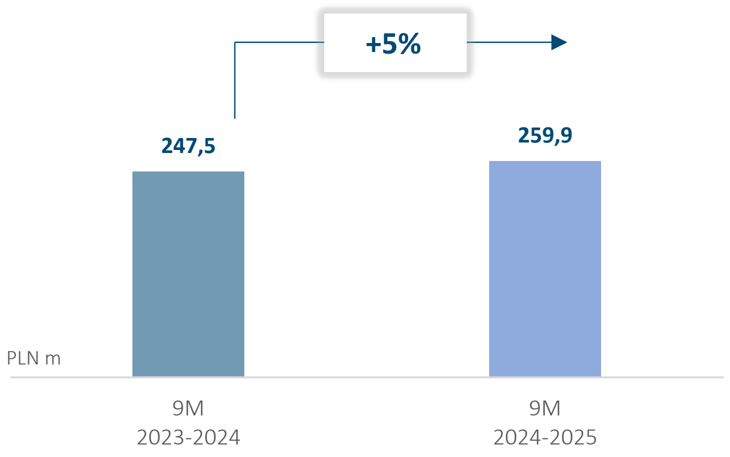
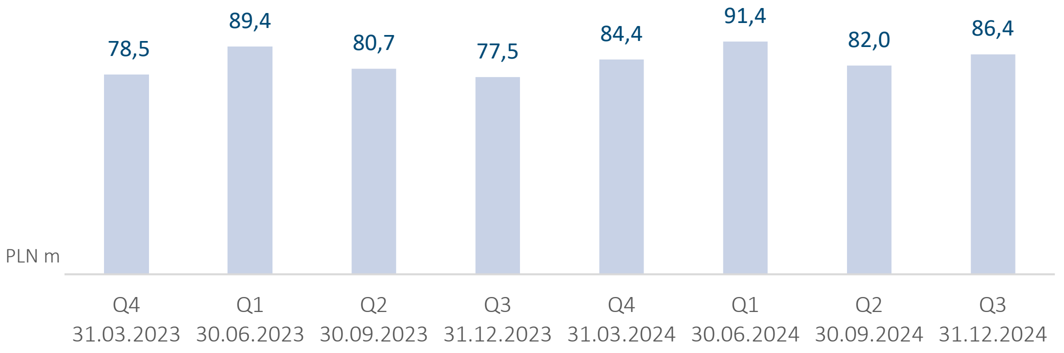
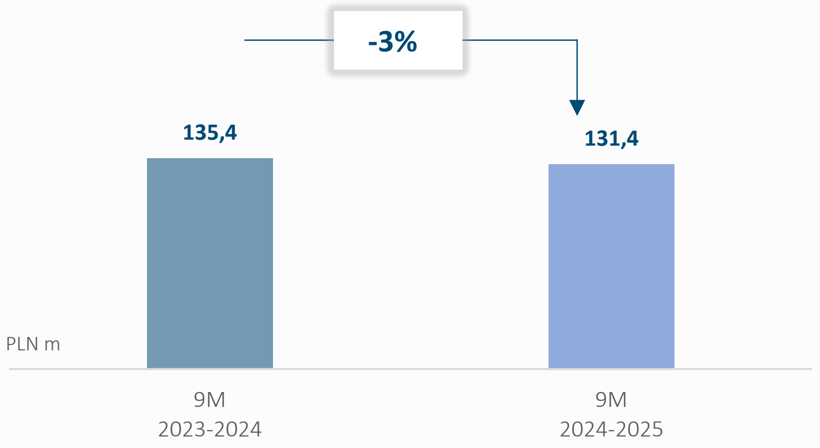
# Key results I

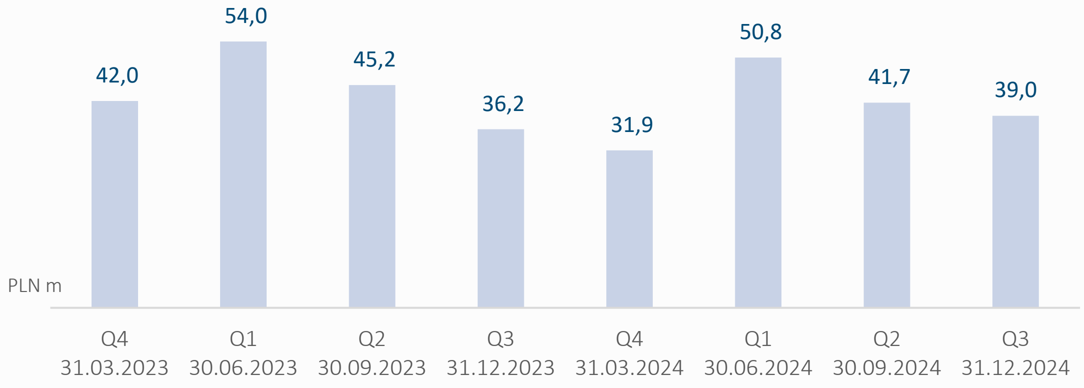
## PAYMENTS OF PURCHASED PORTFOLIOS



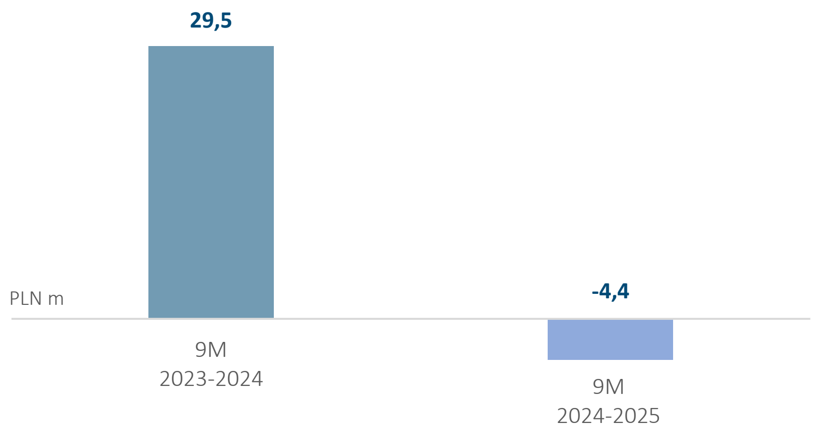

## CASH EBIDTA

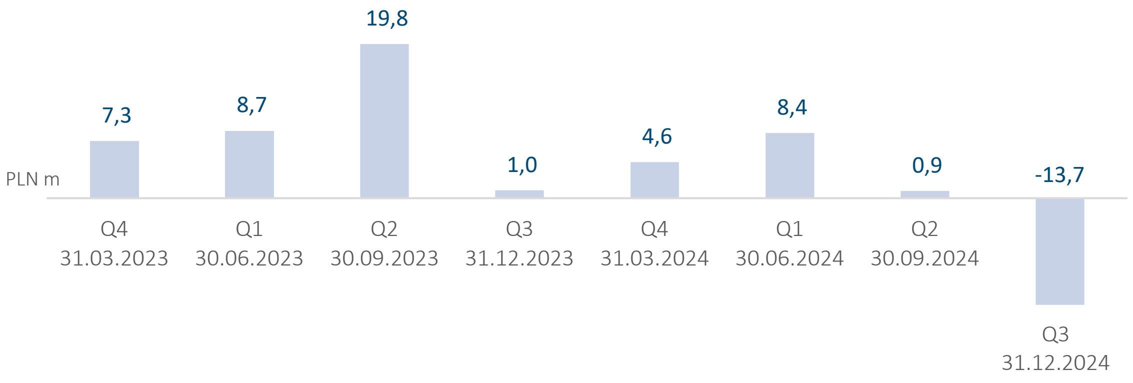


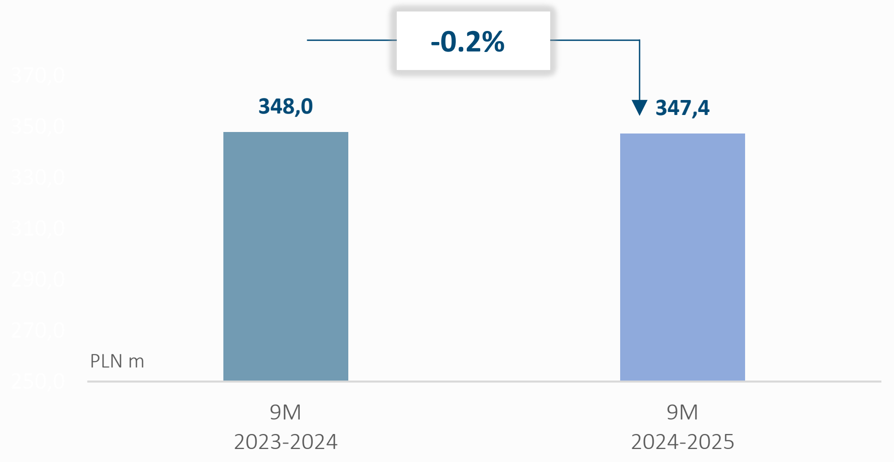
# Key results II

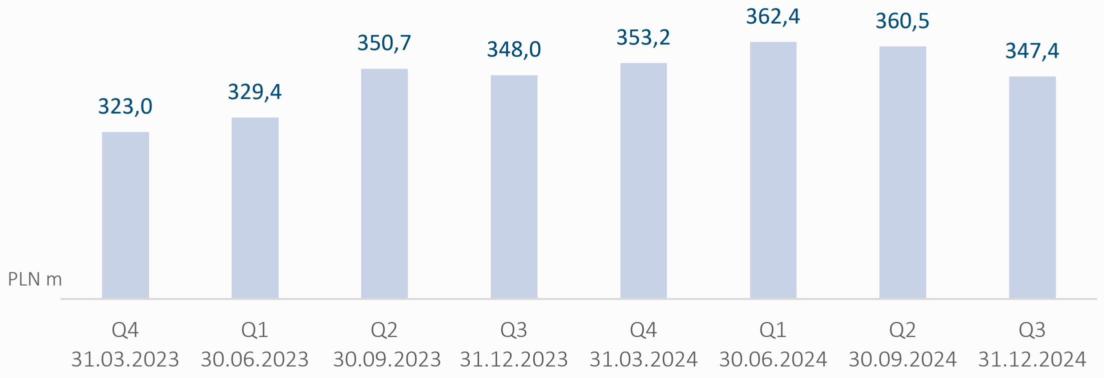
## NET PROFIT (LOSS) [1]




## EQUITY [1]




[1] Data including operations in Russia

# Income statement I

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| '000 PLN | 9M 2024/25 | 9M 2023/24 | Change (%) | Q3 2024/2025 | Q2 2024/2025 | Q1 2024/2025 | Q4 2023/24 | Q3 2023/24 | Q2 2023/24 | Q1 2023/24 | Q4 2022/23[1] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payments** | 259 872 | 247 531 | 5% | 86 436 | 82 014 | 91 422 | 84 382 | 77 467 | 80 703 | 89 361 | 78 542 |
| **Cash EBIDTA** | 131 421 | 135 444 | -3% | 38 976 | 41 651 | 50 794 | 31 950 | 36 212 | 45 189 | 54 043 | 41 980 |
| Interest income | 131 092 | 113 202 | 16% | 43 562 | 44 517 | 43 013 | 43 183 | 40 659 | 37 986 | 34 557 | 32 601 |
| Portfolio revaluation | 47 087 | 68 198 | -31% | 15 341 | 12 528 | 19 218 | 30 120 | 17 267 | 27 351 | 23 580 | 25 171 |
| Other net income | 1 995 | 1 692 | 18% | 1 332 | (63) | 726 | 1 814 | 563 | 422 | 707 | 2 269 |
| **Total net revenue** | 180 174 | 183 092 | -2% | 60 235 | 56 982 | 62 957 | 75 117 | 58 489 | 65 759 | 58 844 | 60 041 |
| Payroll, social security | (50 871) | (42 322) | 20% | (20 958) | (14 140) | (15 773) | (16 646) | (15 561) | (13 141) | (13 620) | (14 865) |
| Third party services | (41 174) | (35 458) | 16% | (14 135) | (14 102) | (12 937) | (13 943) | (12 711) | (11 172) | (11 575) | (9 729) |
| Court and enforcement fees | (38 467) | (30 716) | 25% | (14 561) | (14 108) | (9 798) | (12 762) | (11 564) | (9 905) | (9 247) | (10 622) |
| Other | (5 794) | (11 601) | -50% | (1 010) | 173 | (4 957) | (13 036) | (4 140) | (3 800) | (3 661) | (5 576) |
| **Total operating expenses** | (136 306) | (120 097) | 13% | (50 664) | (42 177) | (43 465) | (56 387) | (43 976) | (38 018) | (38 103) | (40 792) |
| **Profit (loss) on operating activities** | 43 868 | 62 995 | -30% | 9 571 | 14 805 | 19 492 | 18 730 | 14 513 | 27 741 | 20 741 | 19 249 |
| Financial expense net | (38 784) | (38 691) | 0% | (13 268) | (13 303) | (12 213) | (11 887) | (16 101) | (9 385) | (13 205) | (10 452) |
| **Profit (loss) before tax** | 5 084 | 24 304 | -79% | (3 697) | 1 502 | 7 279 | 6 843 | (1 588) | 18 356 | 7 536 | 8 797 |
| Income tax | (14 281) | (1 581) | 803% | (12 052) | (1 707) | (522) | (3 593) | 801 | (1 812) | (570) | 1 888 |
| **Net profit (loss) from continued operations** | (9 197) | 22 723 | | (15 749) | (205) | 6 757 | 3 250 | (787) | 16 544 | 6 966 | 10 685 |
| **Net profit (loss) from discontinued operations** | 4 803 | 6 737 | -29% | 2 060 | 1 126 | 1 617 | 1 399 | 1 790 | 3 262 | 1 685 | (3 379) |
| **Net profit (loss)** | (4 394) | 29 460 | | (13 689) | 921 | 8 374 | 4 649 | 1 003 | 19 806 | 8 651 | 7 306 |

[1] KI RUS business was alienated from quarterly historical data with a simplified method, based on management data **which, in terms of allocation to specific items of operating expenses** may slightly differ from reporting data

# Income statement II

| '000 PLN | 9M 2024/25 | 9M 2023/24 |
|---|---|---|
| Forecast review | 2 097 | 18 968 |
| Deviation between actual and forecast repayments | 44 388 | 51 482 |
| Prolonged forecast recoveries | 803 | 823 |
| FX rate change | (201) | (3 075) |
| **Portfolio revaluation** | **47 087** | **68 198** |

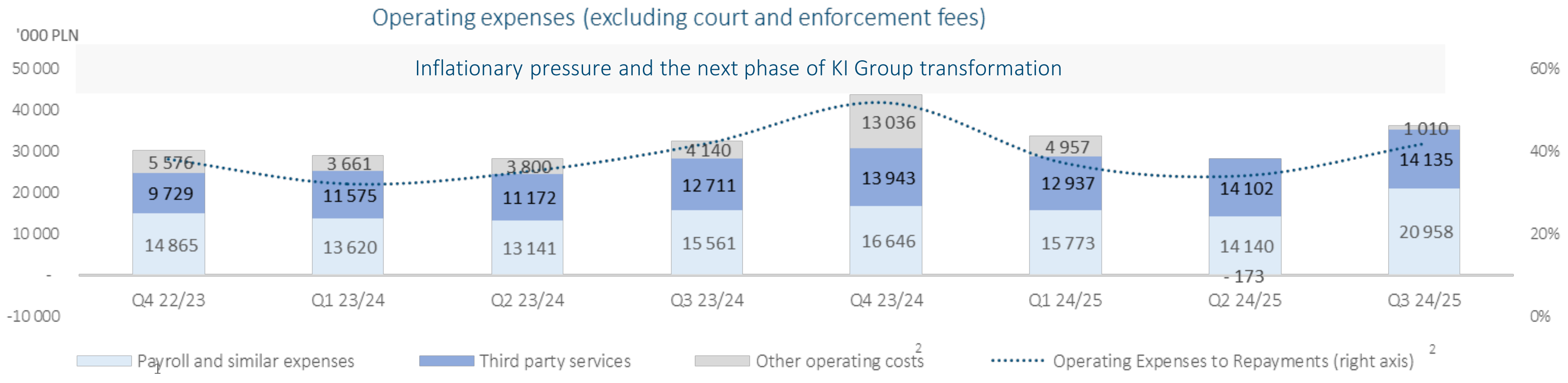
| '000 PLN | 9M 2024/25 | 9M 2023/24 | Change (%) |
|---|---|---|---|
| Payroll, social security and other benefits | 50 871 | 42 322 | 20% |
| Third party services | 41 174 | 35 458 | 16% |
| Court and enforcement fees | 38 467 | 30 716 | 25% |
| Depreciation/amortisation | 5 860 | 6 318 | -7% |
| Taxes and charges | (4 749) | 1 635 | |
| Consumables and energy | 1 492 | 1 733 | -14% |
| Other prime costs | 3 191 | 1 915 | 67% |
| **Operating expenses** | **136 306** | **120 097** | **13%** |
| excluding costs of court and enforcement fees | 97 839 | 89 381 | 9% |

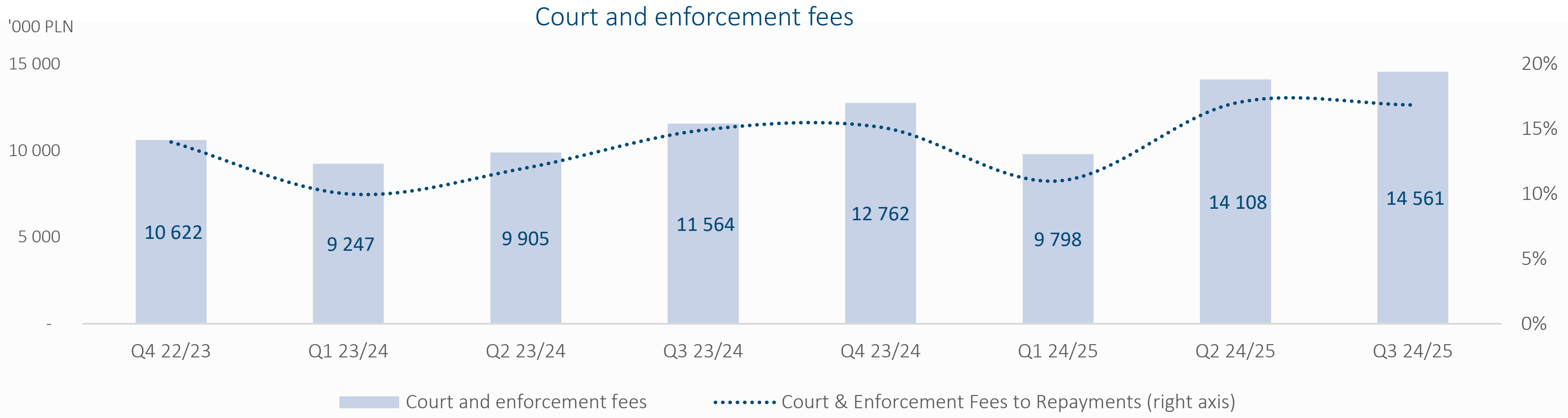
- **Discrepancies between actual and forecast repayments** have a cash effect (actual cash flows to the Group), which in 9M 2024/2025 was **positive in all markets operated by the Group.**
- Still observable level of **positive discrepancies between actual and forecast payments**, despite upward revision of forecasts throughout FY2023/2024 and 9M 2024/2025.
- Lower value of these deviations y/y resulted from **the continued improvement of valuation models** and the adaptation of their parameters to observable historical data, and to trends and developments in the macroeconomic environment. The **ratio of positive deviations** in actual payments versus forecast **to total payments was 17% in 9M 2024/2025, while in the corresponding period of the previous year it was 21%.**
- **Slight negative impact of FX rates** (PLN/RON) in 9M 2024/2025.

## Dynamics of operating costs:

- The increased court and enforcement fees **(+ PLN +7.8 million)** should however translate into higher recoveries in the future.
- Higher costs of **third-party services (+PLN +5.7 million)** resulted chiefly from higher **consultancy** costs incurred in connection with the **review of strategic options** **(including PLN 2.5 million of payments to the merger transaction advisor in relation to the Company's merger with BEST S.A.)**. In addition, there were extra costs related to IT system maintenance (changed service model due to the uncertain outcome of the review of strategic options) – **up by PLN 1.9 million y/y.**
- Lower **taxes and fees (-6.4 million PLN) –** redundant WHT provisions were reversed in the Romanian unit and the final value of WHT was recognised **(2.6 million PLN)** in 'Income Tax' line.
- **Other prime costs** went up following the recognition of the expense resulting from the Company's obligation to reimburse costs incurred by the investors as part of the strategic options review, in the amount of **PLN 1.4 million.**
- Higher **payroll costs** primarily resulted from the provisions recognised retention bonuses related to the **review of strategic options and the BEST merger process (PLN +5.3 million)**, the higher level of minimum wage increased in January 2024 in Poland as well as the obvious inflationary pressure observable in Poland, Romania and Bulgaria. **The increase of the payroll expense without the above bonuses was 8% y/y. At the end of December 2024, the number of FTEs in the Group rose by 1% y/y.**

# Income statement III




**Higher operating expenses in Q3 2024/25** due to significant one-off cost events related to the expected merger with BEST. Stable ratio of operating expenses (excl. court fees & enforcement charges) to claim repayments at the level of 37% in Q1, 34% in Q2 and 33% in Q4 . (without the above one-off expense events).

The ratio of payroll to repayments (24% in Q3 2024/25, vs. 17% in H1 2024/25) was significantly impacted by the one-off expense events related to the BEST merger **(18% after adjustment).**

The ratio of court and enforcement fees to repayments in **Q3 2024/25** remained at a similar level of year-on-year at **17%,** which should translate into increased repayments in the future (mainly PL and ROM).

[1] KI RUS bussine was alienated from quarterly historical data with a simplified method, based on management data **which, in terms of allocation to specific items of operating expenses** may slightly differ from reporting data

[2] [2] Excluding costs of court and enforcement fees

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# Investments over the last 4 years and in 9M 2024/2025

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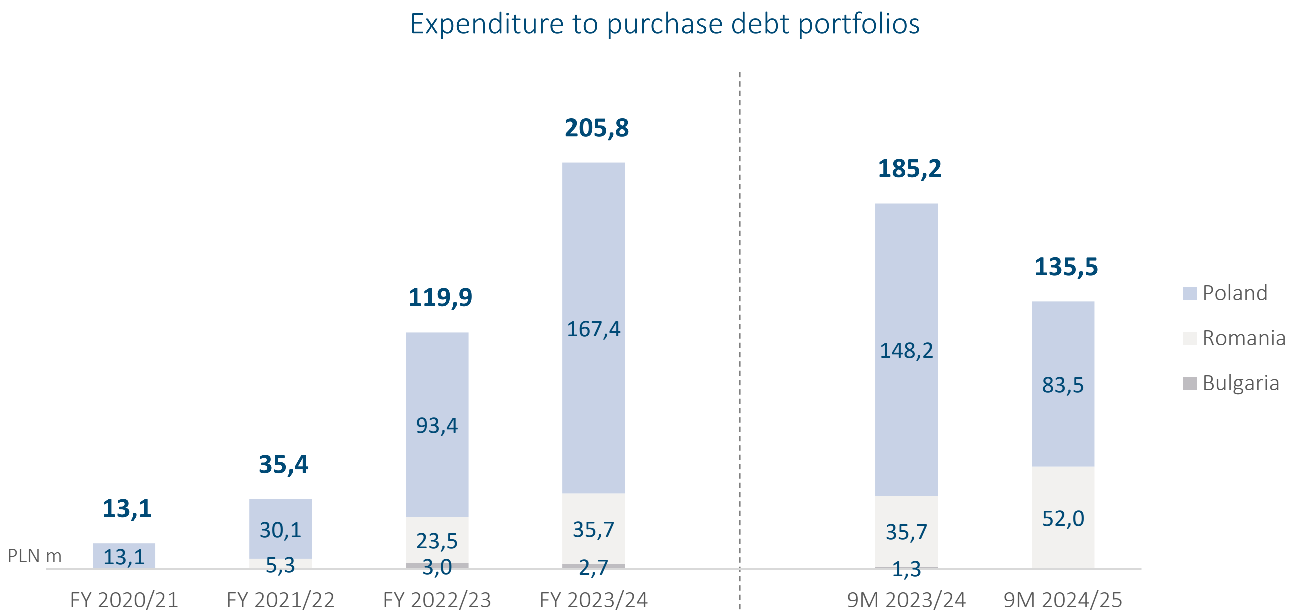



| Date of debt portfolio purchase | Amount of debt portfolio purchase (PLN m) | Repayments by debtors in 2020/21 (PLN m) | Repayments by debtors in 2021/22 (PLN m) | Repayments by debtors in 2022/23 (PLN m) | Repayments by debtors 2023/24 (PLN m) | **Repayments by debtors Total (PLN m)** | Repayments by debtors 9M 2024/25 (PLN m) | Repayments / Purchase price (%) 2020/21 | Repayments / Purchase price (%) 2021/22 | Repayments / Purchase price (%) 2022/23 | Repayments / Purchase price (%) 2023/24 | **Repayments / Purchase price (%) Total** | Repayments / Purchase price (%) 9M 2024/25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2020/21 | 13,1 | 3,5 | 16,3 | 15,0 | 10,1 | **44,9** | 6,6 | 27% | 125% | 115% | 77% | **344%** | 50% |
| 2021/22 | 35,4 | - | 2,7 | 22,5 | 17,8 | **43,1** | 11,7 | - | 8% | 64% | 50% | **122%** | 33% |
| 2022/23 | 119,9 | - | - | 18,1 | 60,8 | **79,0** | 33,7 | - | - | 15% | 51% | **66%** | 28% |
| 2023/24 | 205,8 | - | - | - | 37,0 | **37,0** | 53,4 | - | - | - | 18% | **18%** | 26% |
| 9M 2024/25 | 135,5 | - | - | - | - | - | 7,7 | - | - | - | - | - | 6% |
| **Total** | **509,7** | **3,5** | **19,0** | **55,7** | **125,7** | **204,0** | **113,2** | | | | | | |

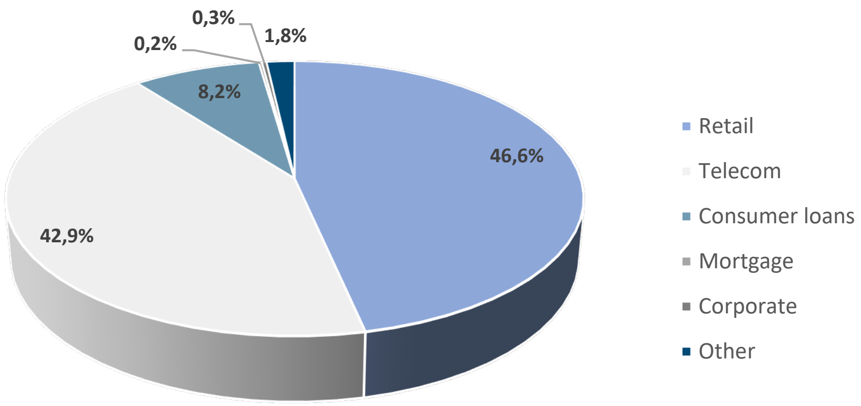
**Back to major portfolio purchases in Q3 2024/2025 (PLN 67.2 m)**

**PLN 135.5 m**

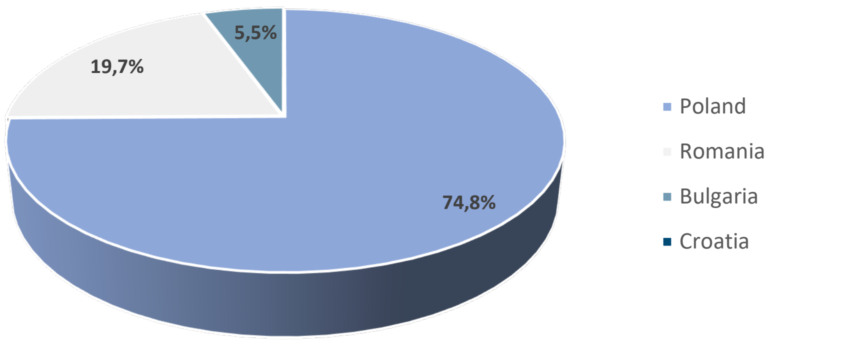
in 9M 2024/2025

# KI Group portfolios of debt claims

Types of portfolios under management split by their balance sheet value as of 31 December 2024




Balance sheet value of receivables portfolios split by country of origin as of 31  December 2024




Balance sheet value at 31.12.2024

**PLN 766.3 m**

(+9% y/y)

Balance sheet value of KI Group debt portfolios split by type (PLN m)

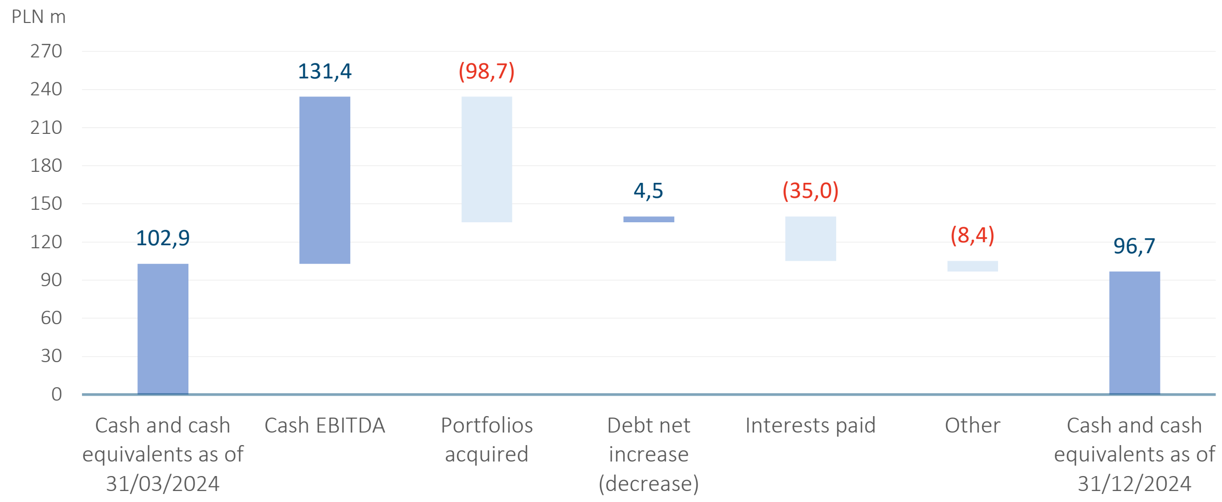
| | Balance sheet value at 31.12.2024 | Share  (%) | Change y/y (p.p) |
|---|---|---|---|
| Retail | 357,2 | 46,6 | 0,2 |
| Telecom | 328,7 | 42,9 | 6,3 |
| Consumer loans | 63,0 | 8,2 | (5,6) |
| Mortgage | 1,4 | 0,2 | (1,6) |
| Corporate | 2,3 | 0,3 | (1,1) |
| Insurance | 0,2 | 0,0 | - |
| Other | 13,5 | 1,8 | 1,8 |
| **Total** | **766,3** | **100,0** | |

Balance sheet value of debt portfolios held by KI Group (PLN m)

| | Payments by debtors 9M 2024/2025 | Balance sheet value at 31.12.2024 | Share  (%) | Change y/y (p.p) |
|---|---|---|---|---|
| Poland | 193,7 | 573,1 | 74,8 | (3,4) |
| Romania | 47,7 | 150,7 | 19,7 | 2,5 |
| Bulgaria | 18,3 | 42,3 | 5,5 | 0,9 |
| Croatia | 0,1 | 0,2 | 0,0 | - |
| **Total** | **259,9** | **766,3** | **100,0** | |

# Cashflow and cash position[1]

| Cash flows [PLN m] | 9M 2024/25 | 9M 2023/24 |
|---|---|---|
| **Cash – opening balance** | **102,9** | **45,6** |
| Operating activities | 124,5 | 132,0 |
| Investing activities | (98,2) | (183,8) |
| Financing activities | (30,6) | 85,6 |
| FX differences | (1,9) | (3,3) |
| **Cash – closing balance** | **96,7** | **76,2** |



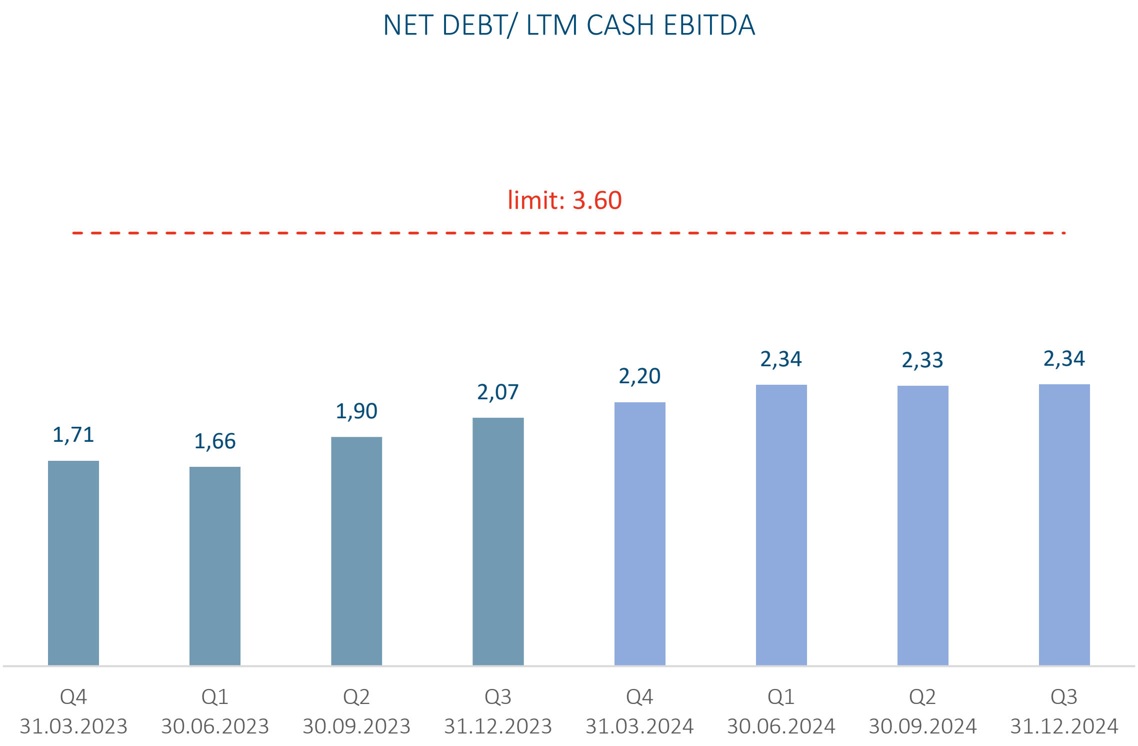

In 9M 2024/25 the Group made debt portfolio purchases for **PLN 135.5 million**, with **PLN 36.8 million** still to be paid as of the balance sheet date.

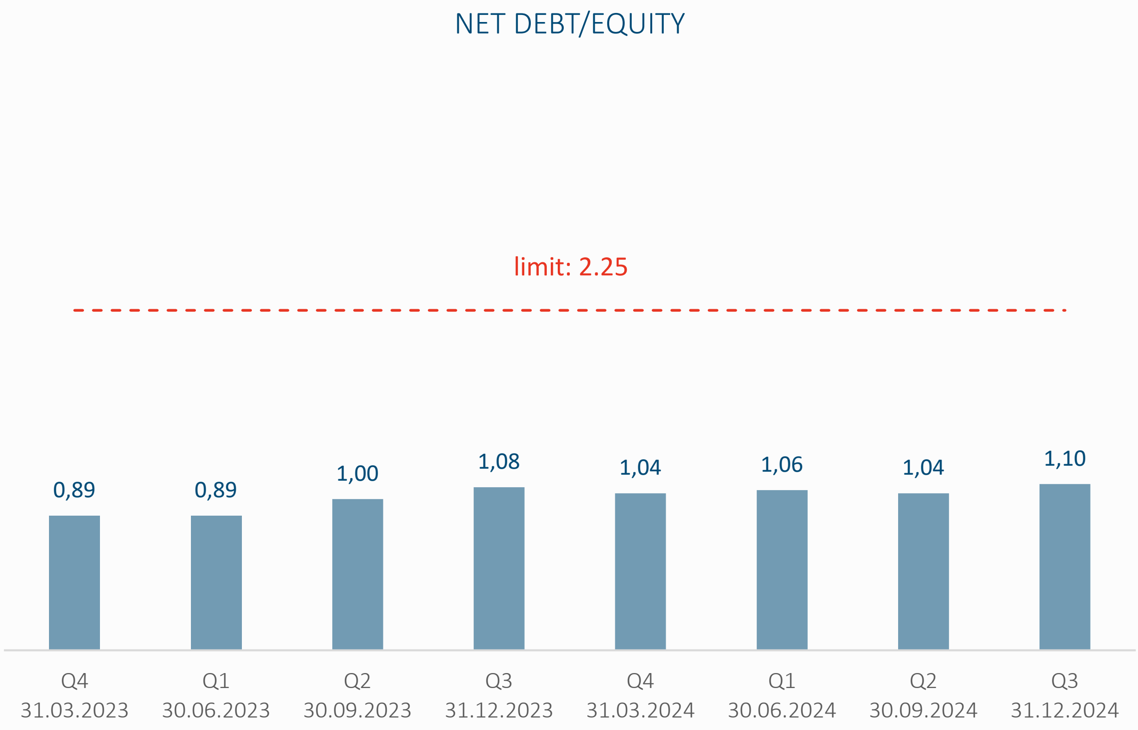
In 9M 2024/2025, purchases were **27% lower** than in the relevant period of the previous reporting year **(Q3 2024/25 only: PLN 67.2 million or + 36% y/y)**

The Group is ready to prepare for **further significant expenditure on portfolio purchases** - promising outlooks in the next upcoming months (expected offer of portfolios on the market) and available financing.

[1] data includes operations of the Russian unit

# Debt ratios[1]



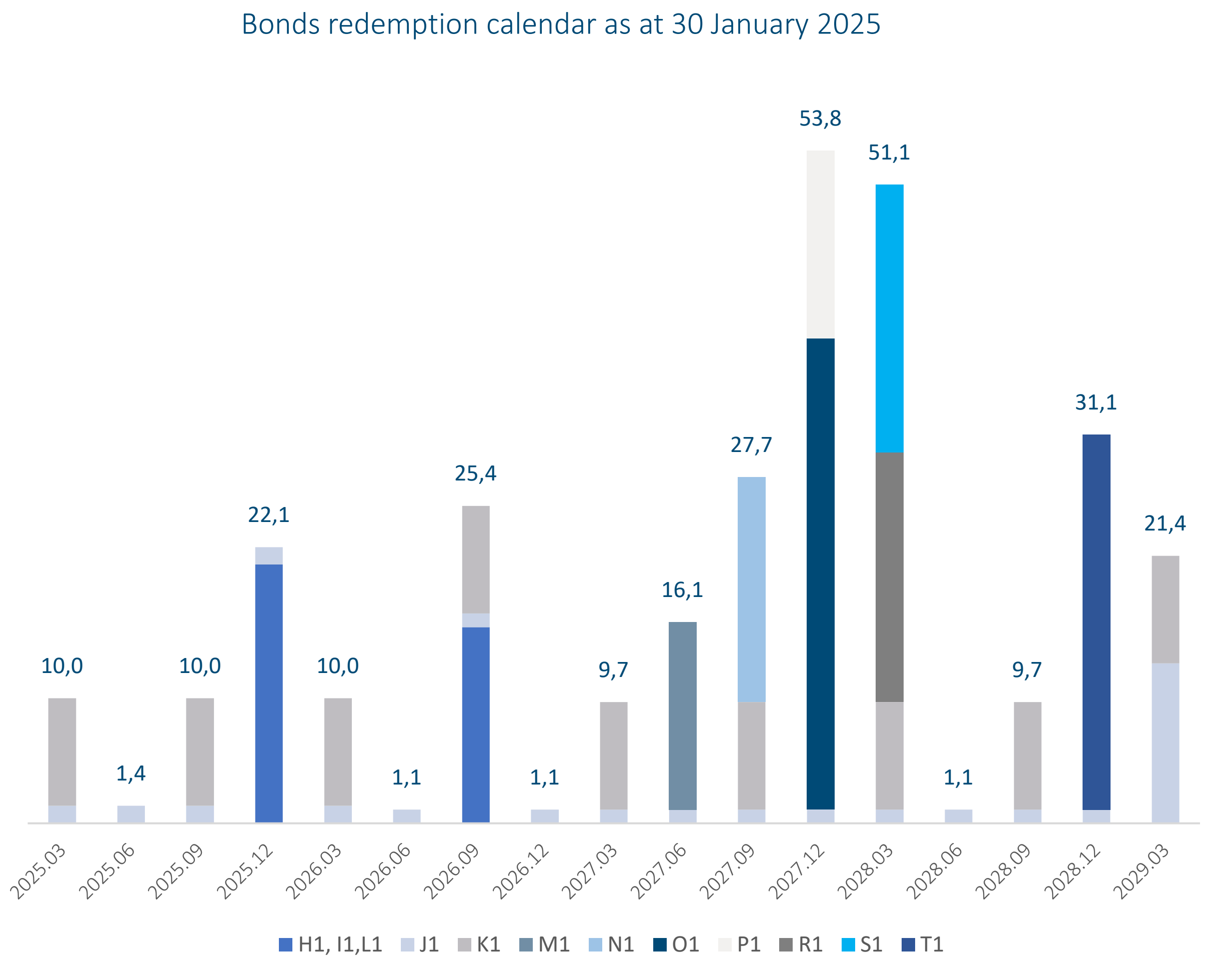




Ambitions and potential new investments thanks to **robust internal debt levels** (net debt/LTM cash EBITDA and net debt/equity).

**Net debt** as of 31 September 2024 at the level of **PLN 383.0 m** (+ (+2% y/y)

[1] data including operations of the Russian unit, except for LTM CASH EBIDTA for Q2 2023/2024 and 2024/2025

# Robust bond redemption plan and improving financing potential




- **As of the balance sheet date of 31 December 2024, there were 12 series of bonds issued by Kredyt Inkaso Group of the par value of PLN 302.8 million.** The bondholder structure is diversified, with both financial institutions and individual investors having a significant share. After the balance sheet date, in November 2024 the Group issued another series of **T1 bonds, nominal value of PLN 30 million**.
- **On 31 December 2024, the Group's debt under credit facilities was PLN 168 million.** This item included two credit facilities granted to the Group by ING Bank Śląski and one by Santander Bank Polska S.A. **The total available facility line from ING is of PLN 200 million and from Santander is PLN 100 million, and the financing can be used to purchase receivables portfolios.** The depreciation period for each financing installment of the ING facility is 5 years, and at present these credit facilities should expire by the end of 2034.
- The Group signed a credit facility agreement with **Santander Bank Polska S.A.** for **PLN 100 million** to finance the purchase of debt portfolios (with PLN 50 million being the maximum available for use by the Group until 31 October 2024). The credit facility should be repaid until 22 July 2029 at the latest. As of 31 December 2024 the Group has used PLN 13.3 million from the Santander facility.
- Thanks to this **newly prospected source of financing**, together with **the availability of the revolving credit line,** the Group **has sufficient liquidity to make new large investments.**
- **The Polish Financial Supervision Authority approved a new prospectus on 31.01.2025 (up to PLN 200 million).**
- As at 31 December 2024 **the Group held more than PLN 97 million in cash (including PLN 13.1 million in KI RUS).**

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# Corporate Affairs I

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## Russian unit divestment

- Work is in progress to finalise the sale of *Limited Liability Company „Professional Collection Organisation" Kredyt Inkaso RUS* (established in Moscow). 99% of its shares are currently held by the Issuer's subsidiary Kredyt Inkaso Portfolio Investments (Luxembourg) S.A.
- Two interested parties submitted their bids. More detailed parameters and the transaction model will be negotiated with the selected bidder.
- By the date of this document neither has been granted exclusivity or selected as the winning offer.

## Strategic options

- The work towards the potential merger with BEST S.A. is ongoing.
- On 20 February 2025, the Company and BEST S.A. signed the Merger Plan according to the regulations of Article 492 (1) (1) of the Polish Commercial Companies Code, namely merger through acquisition of the Company (as the acquired party) by BEST (the acquirer) by way of transfer of the Company's entire property to BEST S.A. in exchange for BEST S.A. shared to be vested in the eligible shareholders of the Company.
- These shares will be issued by increasing the share capital of BEST S.A. According to the Merger Plan, their allocation to the eligible shareholders of the Company in exchange for their current shareholding will follow the ratio of 0.67537:1 (BEST share:Company share), with the actual number of vested shares to be a natural number and any non-allocable fraction resulting from the actual application of this ratio will entitle the eligible shareholders of the Company to an additional payment as specified in the Merger Plan.
- The official expert opinion that is required for the Merger Plan has been procured and made available on the Company's website: https://relacjeinwestorskie.kredytinkaso.pl/polaczenie-z-best/.
- The expected merger will need General Meeting resolutions of both merging companies. As per the Merger Plan, the Merger resolutions will be proposed to the General Meetings of the Company and of BEST to: (i) approve the Merger; (ii) approve of the Merger Plan; and (iii) approve the proposed amendments to the Articles of Association of BEST in connection with the Merger, and certain other issues.

# Corporate Affairs II

## Sector legislation changes

### Polish law on credit servicers and credit purchasers

The key regulations included in this law are:

- Waiver of application to certain entities: investment funds, entities authorised by the Polish Financial Supervision Authority to manage claims (Article 183.1 of the Investment Fund Act).
- Application limited to: credit facility agreements, including loans and other banking products that are concluded with banks only.
- Scope of regulations: permits for loan service entities, requirements for such entities and for the permit application, permit and handling fees, development and application of operating procedures for loan service entities, reporting, penalties, audits of the Polish Financial Supervision Authority, archiving, and notification obligations related to debt restructuring.

**Due to the waivers and limitations of its application, enforcement of this law will not directly impact the activities carried out by the Group. Both NFIZW-type investment funds and the entity managing their debt claim portfolios are exempt from this law. The law does not apply to telecom claims, parabanking contracts, insurance, utilities claims, transport services, and any other services that are not serviced credit facilities/loans.**

### Minimum wage increase as of 1 January 2025

From 1 January 2025, the official minimum wage increased from PLN 4,300 to PLN 4,666 gross. Along with it also the minimum hourly rate has been raised as of 1 January 2025 – PLN 30.50 gross.

### Amended act on statutory auditors, auditing firms, public supervision and amendments to other statutes

This amendment introduces the required sustainable development reporting and its audit by certified auditors. In addition, it introduces: a new revenue threshold for full ledger accounting requirement, new thresholds for financial statements audit requirement, new definitions of micro, small, medium and large enterprises, a unified concept of net sales revenue.

The new regulations apply to sustainability reporting, including capital groups, prepared in 2025 for FY 2024.

### Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (“Regulation”), published in the EU Official Journal on 14 November 2024.

Key changes in the MAR Regulation introduced by the Listing Act:

- increased limit for insider transactions to EUR 20,000, with options to adjust this limit in different jurisdictions;
- expanded catalogue of exceptions allowing insiders to make transactions during the so-called closed periods;
- extended exception from the closed-period ban on transactions: the exception also includes transactions or trading activities that do not involve the making of active investment decisions by the person with managerial duties or that result solely from external factors or the actions of third parties, or that constitute transactions or trading activities (including the execution of derivatives) based on predetermined conditions;
- the requirement of immediate public disclosure of confidential information does not apply to confidential information relating to intermediate stages of the process, if these stages are related to permitting or causing a specific circumstance or event.

### DORA (Digital Operational Resilience Act)

The DORA Regulation has been in force since 17 January 2025. DORA is essentially aimed at improving the security of financial institutions and their customers by ensuring standardized cybersecurity rules and information exchange at the European level, including a register of contracts with digital service providers (ICT), obligations to report incidents, obligations to perform tests; LEI number requirement.

### Act of 18 November 2020 on electronic service of documents

The act requires non-public entities that have been established before 1 January 2025 to set up an electronic document mailbox by 1 April 2025.

As the e-service system implementation is advancing well, the court enforcement officer have already began sending out letters via the electronic system at the beginning of July 2024 (much earlier than required by this act).

# Corporate Affairs III

## Potential legislation

- **Draft act amending the Polish Tax Regulation and other statutes.**

The draft provides for certain solutions where the status of legal incapacity will be replaced with the 'assisted decision-making' model and, among others, the possibility of having a 'registered' representative capable of performing legal actions in both the financial and personal matters in such events as one's loss of the capacity to independently handle their personal conduct.

- **Electronic writ-of-payment procedure (EPU 3.0)**

The draft features the following benefits:

- increased judicial capacity to process writ-of-payment cases;
- increased level of satisfaction of the EPU system users;
- increased efficiency of the available human resources thanks to optimized business processes;
- increased reliability and security of the EPU system;
- increased flexibility and readiness for legal environment changes that would require modification of the EPU system.

- **Act amending the Polish Restructuring Law and certain other statutes (enactment planned in 2025)**

The most important changes include: the restructuring plan needs to include information on the impact of the restructuring process on employment and on consultations with employee representatives; the obligation to draw up a claim satisfaction test to help assess the economic legitimacy of the restructuring effort (to verify the level of potential satisfaction of claims in case of insolvency proceedings); the possibility to have a creditor arrangement even if the required majority is not obtained for its adoption, where the group(s) of preferential creditors that voted against the arrangement are still fully repaid under the arrangement.

- **Draft amendment to the Labour Code (transparency of remuneration)**

The draft regulations will allow employees to request the employer to disclose information on the individual remuneration level and the average level by gender or respective payroll categories. In addition, employers will need to state the expected remuneration in their job ads published during the recruitment process. In addition, the draft requires employers to provide employees with the criteria that are used to determine the levels of remuneration and its thresholds.

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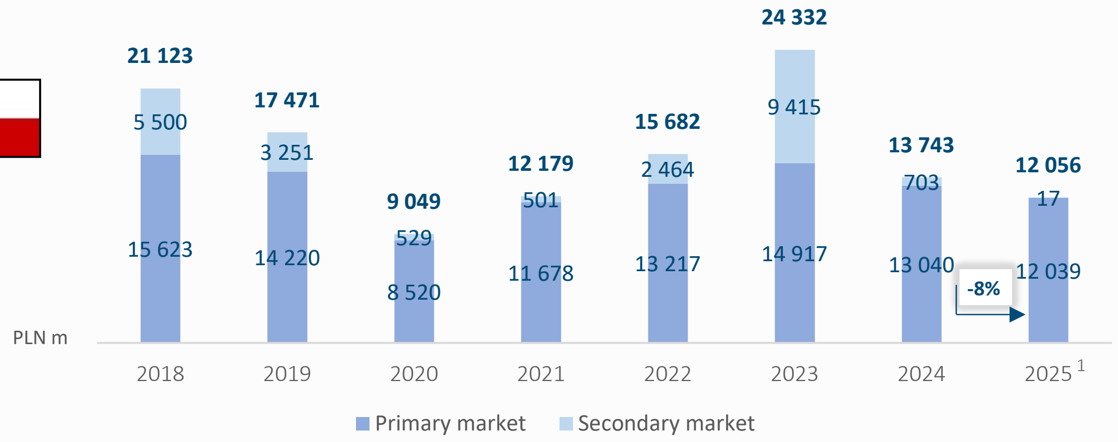
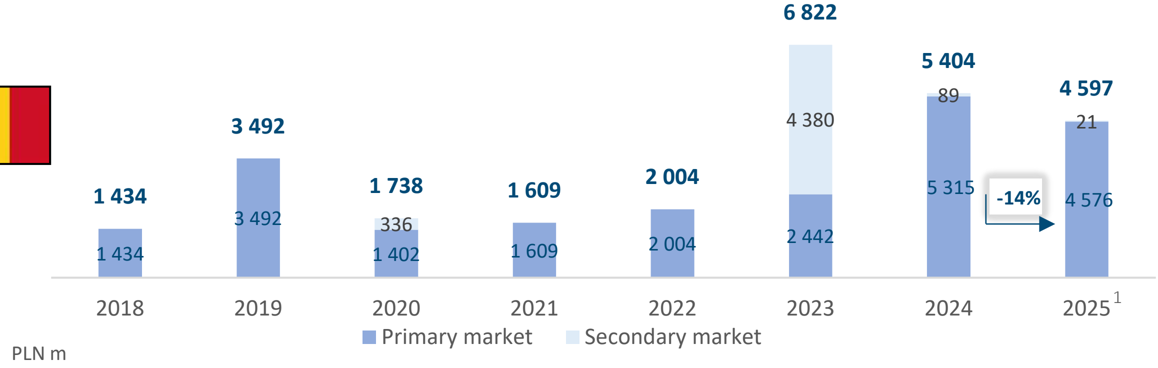
# Debt collection market in Poland and Romania

Supply of debt portfolios on the primary and secondary markets - Poland




Supply of debt portfolios on the primary and secondary markets - Romania




- The supply of debt portfolios in 2025 is estimated to remain at a level similar to the previous year.
- In 2024, the sales of debt portfolios on the primary market was lower than in 2023. This year-on-year drop in supply was mainly caused by smaller pool of claims on the secondary market, and in the segment of banking claims on the primary market.
- In 2023, two major entities listed their claim portfolios for sale simultaneously, with both offers having significant value. Without these singular transactions, the supply of banking claim portfolios appears to have been at a similar level for several years already.
- 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 are and will be selling off portfolios of debt claims that have a higher quality.
- As a result of further CJEU rulings related to borrower objections, an additional burden may be occur for the banking and lender sector.
- At the same time, in Poland we continue to face low unemployment rate and pressure on wages.

- 2025 may be expected to bring a 14% drop in the new debt portfolios offered for sale on the market.
- This lower supply results chiefly from the smaller pool of banking-segment claims on the primary market. In 2024, there was a one-off transaction selling banking debt claims on the market, without which the estimated market growth in 2025 would be 22%.
- In 2025, the share of the banking portfolio in the total supply is expected to remain at approx. 80%.

[1] Forecast portfolio supply in 2025 – own estimate

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# Organisational culture – the DNA of the working environment

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**Organisational culture** is the collective beliefs, values and assumptions about acceptable and unacceptable behaviours in a given organisation.
The organisational culture influences every aspect of a company's operations – from how employees communicate or cooperate with each other, customers, contractors, to what they do when no one else is watching.
**Organisational culture is therefore like the DNA of an organisation that predetermines its functioning, development and adaptability.**

The Management Board was **tasked with building a healthy and effective organisation on solid foundations. One of these key foundations should be the organisational culture.**
In 2021, the organisation's cultural transformation became one of the strategic goals, implemented as a project.
This project was rolled out in extremely complex circumstances among its shareholders and during a review of strategic options lasting over 2 years.

The assessment methodology used was originally developed by an international organisation called Human Synergistics. Being a result of many years of research, the **OCI™ (Organisational Culture Inventory)** model was designed by the pioneer of research into the psychology of achievement and effectiveness, J. Clayton Lafferty, and by Robert Cooke. **It is currently the most widely used tool in the world for the quantitative analysis of organisational culture.**

OCI® and OEI® (Organisational Efficiency Inventory) models have been developed in response to the need for reliable and accurate measures of organisational culture, the internal factors that shape and strengthen culture, and the impact of culture. The OCI/OEI Opinion Report, on the other hand, is designed to help leaders, change actors and employees understand and leverage the results obtained by their organisation.

**The choice of this method was based on:**

- its high research reliability and credibility;
- a model that is easy to understand and communicate in the organisation;
- a large, fully representative comparative group covering different types of organisations, with **1000+ organisations/35 countries database**;
- a set of integrated research tools that use the same model, allowing to compare different aspects, such as individual cultural fit, team effectiveness, leader influence, etc.;
- clear information on what aspects of the organisational culture work for its success and what is not conducive to good organisational performance.

**The model assesses 120 standards of conduct, framed into 12 categories.**

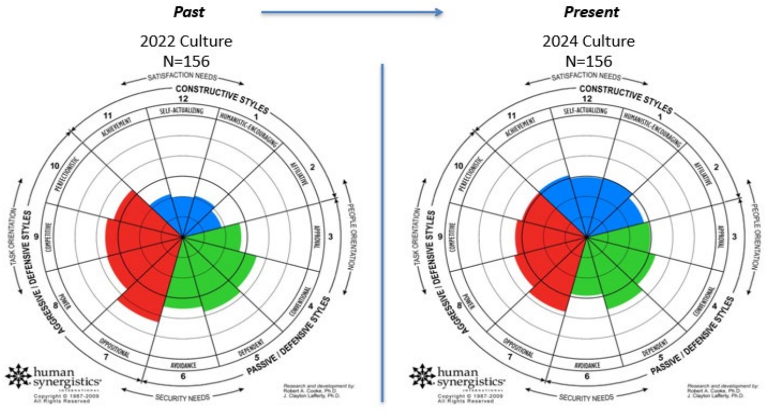

**Constructive culture styles are the most desirable ones in an organisation because they largely determine a healthy, mature and effective culture at a company.** However, this does not exclude the use of elements that are more characteristic of aggressive and defensive styles. In moderate intensity and with adequate balance, together with the constructive styles they create an optimal blend.

# Key changes in figures

The study based on the OCI/OEI model provided by Human Synergistics was carried out at the beginning of 2022 and at the end of 2024 (interval of nearly 3 years).

**Both studies were carried out in cooperation with Maria Mycielska, PhD,** a sociology expert specialising in organisational culture and leadership, author of many books, articles and webinars related to this topic. Surveys were distributed to a random sample of 200 employees, with a high turnout of over 80% in each study.

**DIAGNOSIS OF CURRENT ORGANISATIONAL CULTURE COMPARED TO INITIAL STUDY**




## HR INDICATORS – SELECTED CATEGORIES

**Increase in constructive standards of behaviour:**
- affiliation and cooperation: +22 percentiles,
- humanistic approach: +20 percentiles,
- self-fulfilment and achievements: +23-25 percentiles.

**Team and organisational performance**
- improvement of inter-department cooperation and big drop in 'silo' structure: +11 percentiles;
- greater ability to adapt and respond faster to changes: +16 percentiles.

**Decrease in defensive standards of behaviour:**
- perfectionism: -18 percentiles;
- competing and avoidance of accountability: -15-20 percentiles.

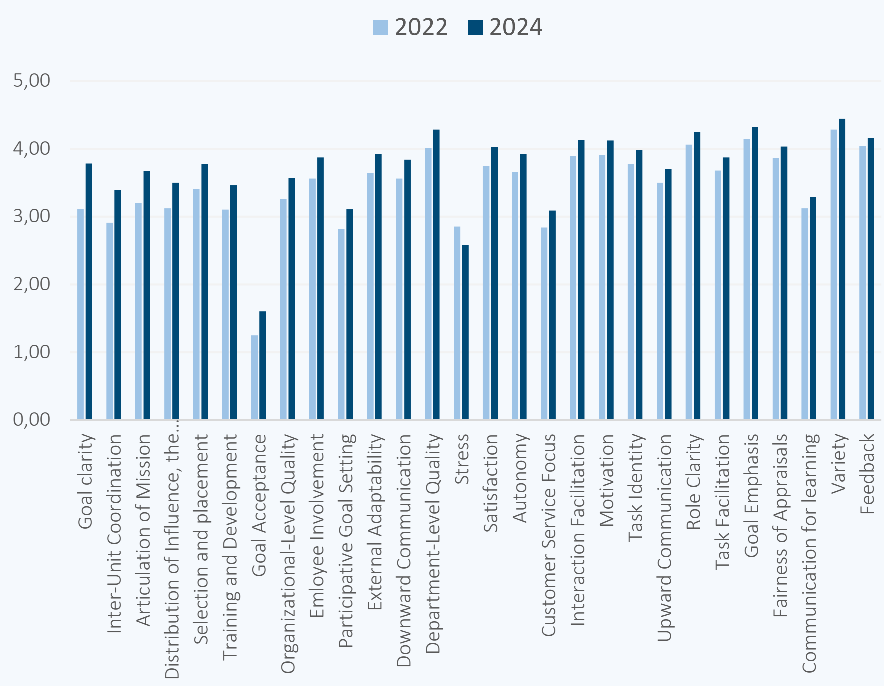
**Employee results:**
- motivation: +21 percentiles,
- satisfaction: +21 percentiles,
- employee involvement: +26 percentiles,
- stress reduction: -18 percentiles,
- less conflict of roles in the organisation: -15 percentiles.

## BUSINESS RESULTS

- over three years, the staff turnover rate dropped by over 50% (from 21% in 2021 to 9.41% in 2024);
- sickness absences decreased by 10.5% (from 3.61% in 2021 to 3.23% in 2024);
- Company's Cash EBITDA increased by 45.7% during this period;
- the Company's performance effectiveness has clearly improved – by 35% per employee;
- the level of investment increased significantly – from PLN 13.1 million in 2020/2021 to over PLN 205 million in 2023/2024.

## HR INDICATORS – SELECTED BEHAVIOURS

**Comparison of selected results of 2022 vs 2024 audits**




**The outcome of the 2024 study showed visible and measurable progress, which is extremely rare to find over such a short period.**

The success of Kredyt Inkaso's cultural transformation was reflected both in HR indicators and, above all, in the Company's business results.

# Main initiatives, results and circumstances of the transformation

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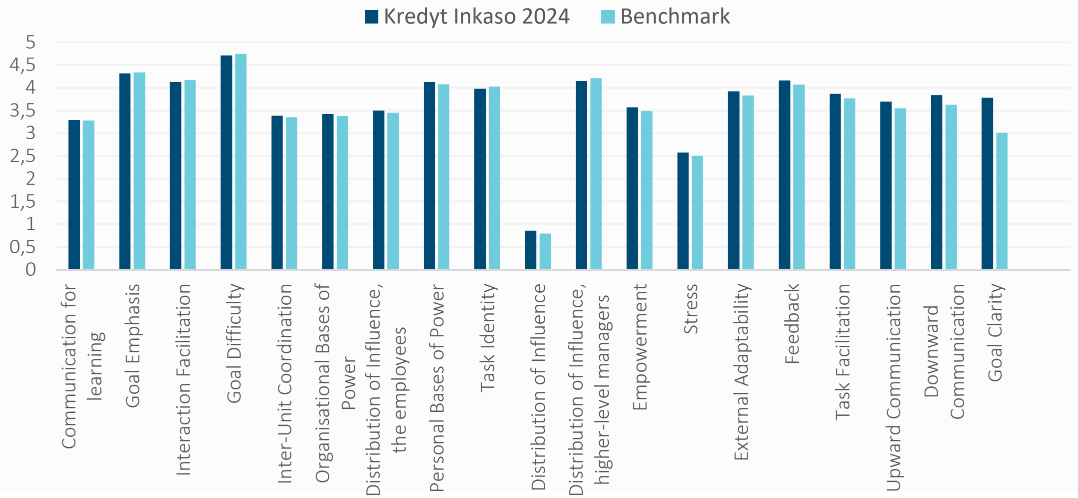
**In the cultural transformation project, the HR team played a key role** as the initiator of ideas and the coordinator of respective actions, highly determined to keep all deadlines and deliverables. However, the activities carried out went far beyond the HR sphere and **received great support from the management who also became actively involved in the transformation process**, **regularly meeting with employees, shortening the distance to people and promoting open communication.** Consistency in everyday decisions was also important to prevent exceptions or contrary factors that could have effect on the organisational culture being built.

**It took just three years for the Company to achieve more than 20 percentile growth in the key parameters of this organisational culture study.** This is a unique achievement as the changes concerned deeply rooted habits, values and behaviors in the organisation. Such significant increase in the constructive culture indicators indicates a **strong commitment of the management, the ability to effectively manage change and the effectiveness of implemented initiatives.**

The implementation has caused **many areas of the organisation to achieve results exceeding the global benchmark of constructive cultures** (a database of large and fully representative comparative group of many different organisations).

**Comparison of selected results vs benchmark**




**SPECIFIC ACTIONS TAKEN:**

| | |
|---|---|
| PROJECT TEAM | The project team was strongly supported by the Management Board and officers. The Management Board has become an active participant in the transformation process. It promoted cooperation in practice and brought down the distance of hierarchy. |
| STRATEGY | The team treated the change of the organisational culture as an important strategic goal, communicating company strategy transparently and cascading clear operationalised goals to all levels of the organisation. |
| COMMUNICATION | Top-down and bottom-up communication with openness (addressing people personally without exceptions, chats with the board, breakfast with the board, company-wide mailing, team meetings with the HR manager) helped build a new quality of relations in the organisation. The 'ideal culture' vision was consistently communicated and progress was systematically verified. |
| RECRUITMENT AND DISMISSALS | Attraction of those who fit into the constructive culture, and breaking up with others who prefer other cultural styles. |
| EMPLOYEE NEEDS | Implementation of a fair pay and bonus policy, adapted to the market and a cafeteria system of benefits. Office upgrades creating a working space that is conducive to the comfort of work, cooperation and creativity, as well as many staff integration initiatives supporting a sense of community. A hybrid work model, flexible working hours and workshop on breathing, mindfulness and anti-stress tools for everybody to support their work-life balance. Kredyt Inkaso has signed the Diversity Charter that promotes inclusiveness and equality. |
| EFFICIENCY | The process management team guided teams by organising processes, tasks, goals and requirements. Metrics were established to monitor the results in each process (process map and Compass). |
| DEVELOPMENT | There were investments made to develop a team of internal trainers. Leaders at every level were trained how to manage teams in a constructive way, solve problems and manage changes. Competence matrices were developed based on a model that supported the organisational and feedback culture. Recruitment is also based on cultural parameters, and both vertical and horizontal promotions are used internally. |

**Outstanding features of Kredyt Inkaso transformation:**

- a relatively short period when significant and profound changes occurred in employee attitudes;
- difficult environment for change implementation (ongoing review of strategic options and uncertain future);
- indicators improved by over 20 percentiles in many key aspects (usually the improvement would be somewhere above 10 percentiles even for a good transformation process);
- exceeded the global benchmark for constructive organisations across a number of key parameters.

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# Successful transformation and significant increase in business scale and results
[2016-2024]

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## PAYMENTS ON OWN PORTFOLIOS

3x

| | 11.2001-08.2016 | 09.2016-12.2024 |
|---|---|---|
| PLN bn | 0,694 | 2,188 |
| | 15 years | 8 years |

## BOND ISSUE

+65%

| | 09.2007-08.2016 | 09.2016-12.2024 |
|---|---|---|
| PLN m | 611 | 1 006 |
| including | | |
| **PROSPECTUSES** | 0 | **3** |
| **AMOUNT RAISED** | 0 | **PLN 150 m** |

- ✓ In 8 years, the Company recovered 3x more than in the 15 years before 2016.
- ✓ Improved recovery-to-FTE ratio by 152%, with 6% less headcount.
- ✓ Robust internal debt ratios:
  - net debt/equity 1.10;
  - net debt/LTM cash EBITDA 2.34.

## GCC

+134%

| 04.2015-03.2016 | 01.2024-12.2024 |
|---|---|
| 152 | 356 |

PLN m

## HEADCOUNT

-6%

| 31.03.2016 | 31.12.2024 |
|---|---|
| 601 | 565 |

## ERC

1.8x

| 31.03.2016 | 31.12.2024 |
|---|---|
| 877 | 1 605 |

PLN m

## Cash EBITDA

1.8x

| 04.2016-03.2017 | 04.2023-03.2024 |
|---|---|
| 97 | 177 |

PLN m

**KREDYT INKASO S.A. features:**

- **good condition;**
- **solid foundations;**
- **after successful operational and technological transformation;**
- **ready for the next stage of development: the merger with BEST S.A.**

KREDYT INKASO

*A place for good solutions*

# Thank you for your attention!


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