



KREDYT INKASO SA

Results presentation

**for Q3 2020/21 ended on
31 December 2020**

Warsaw, 10 March 2021

KEY INFORMATION

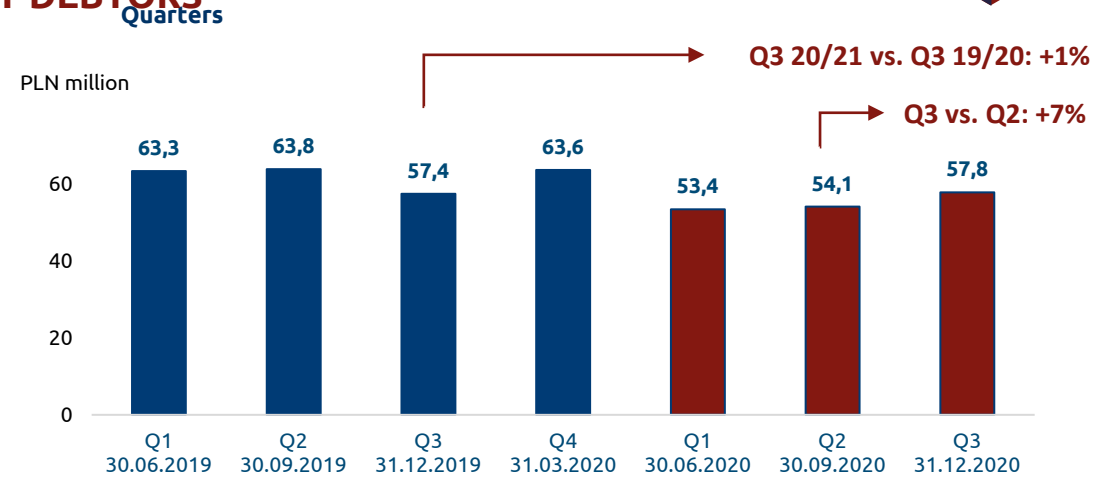
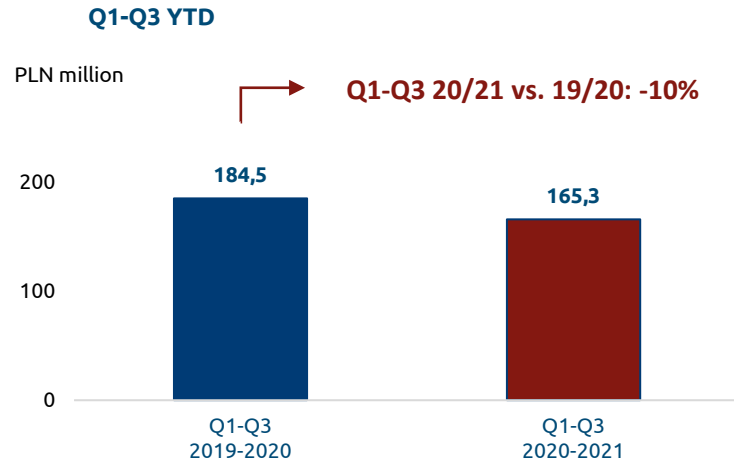


- In Q3 2020 collections from debtors +7% Q3/Q2
- Stabilisation of cash EBITDA at the level of PLN 38 M (-1% Q3/Q2)
- Net profit in Q3 PLN 7.8 M (+18%) Q3/Q2
- Substantial improvement in the financial situation over the last 3 quarters
 - Gross collections by debtors -10%
 - Net revenues +39%
 - Operating costs -15%
 - Net profit of PLN 17.6 M (instead of a loss of PLN 19.9 M)
- ING credit refinanced in Q3, new loan term: 5 years (previously 3 years)
- First portfolio purchases since two years
- Planned development activities
 - Simplification of covenants
 - Bond issues
 - Purchase of new portfolios

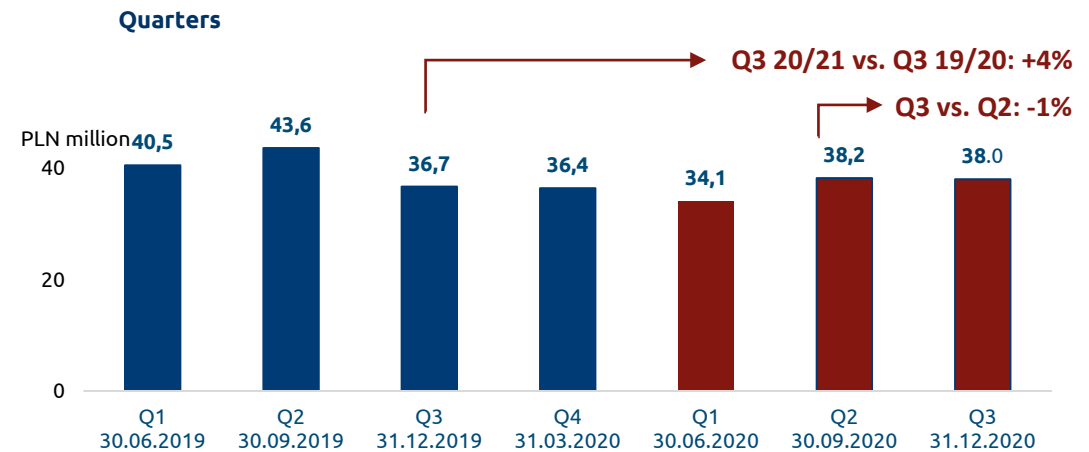
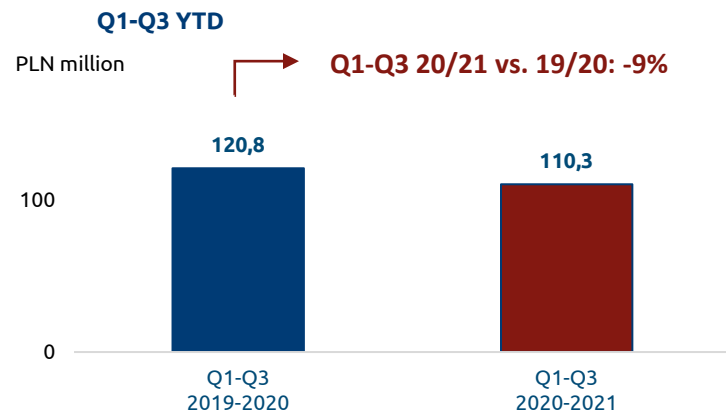
KEY RESULTS – p. 1



GROSS COLLECTIONS BY DEBTORS

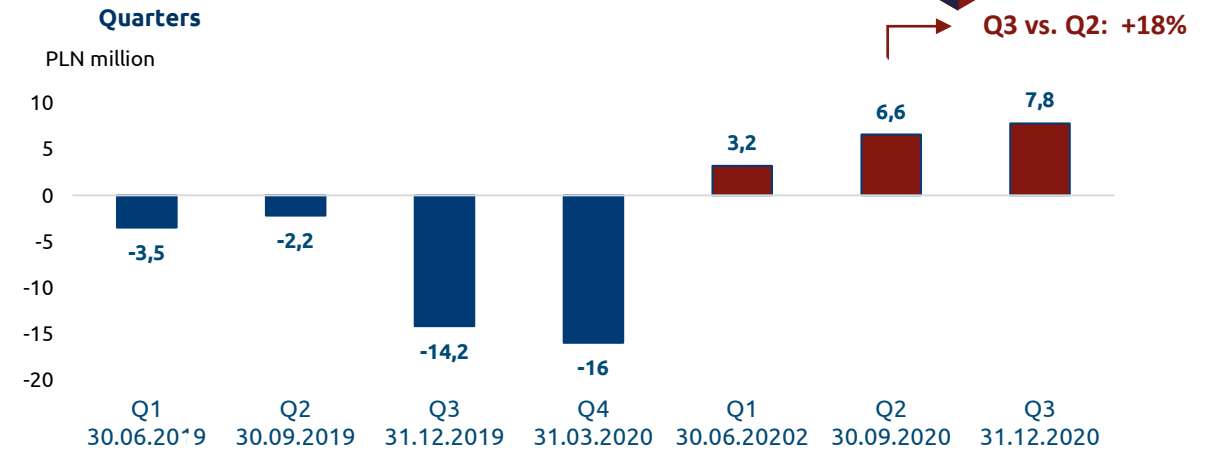
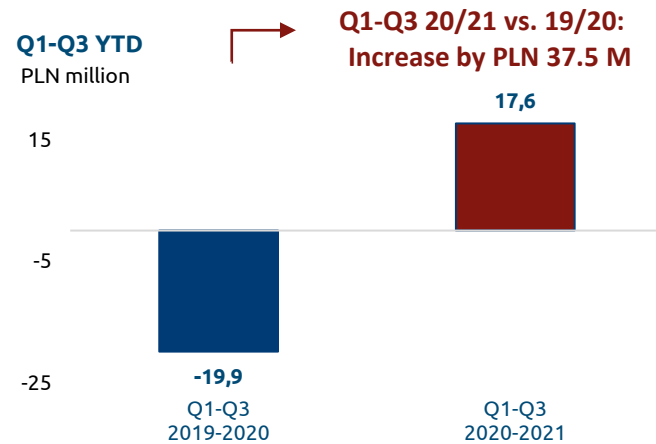


CASH EBITDA

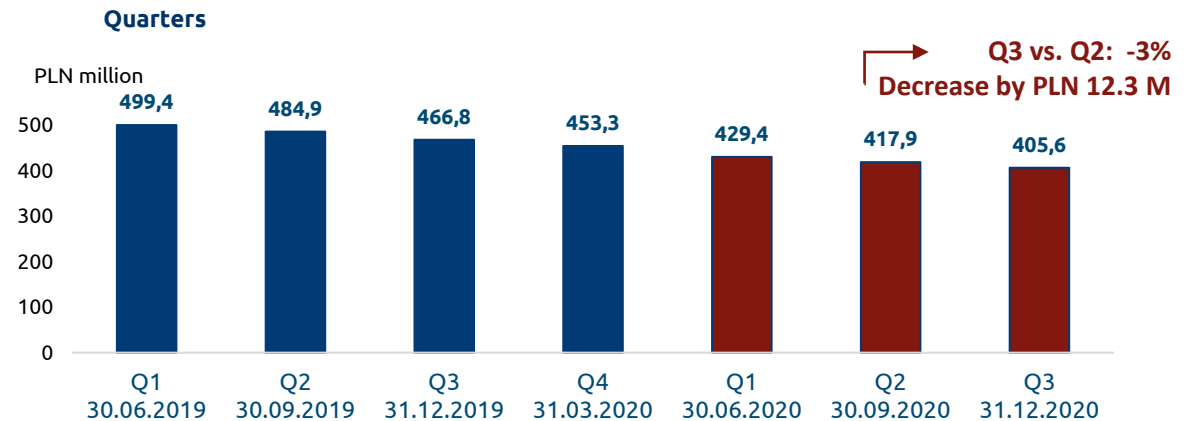
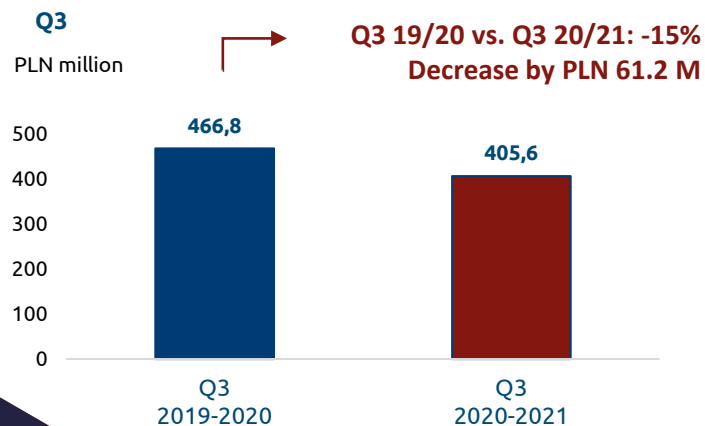


KEY RESULTS – p. 2

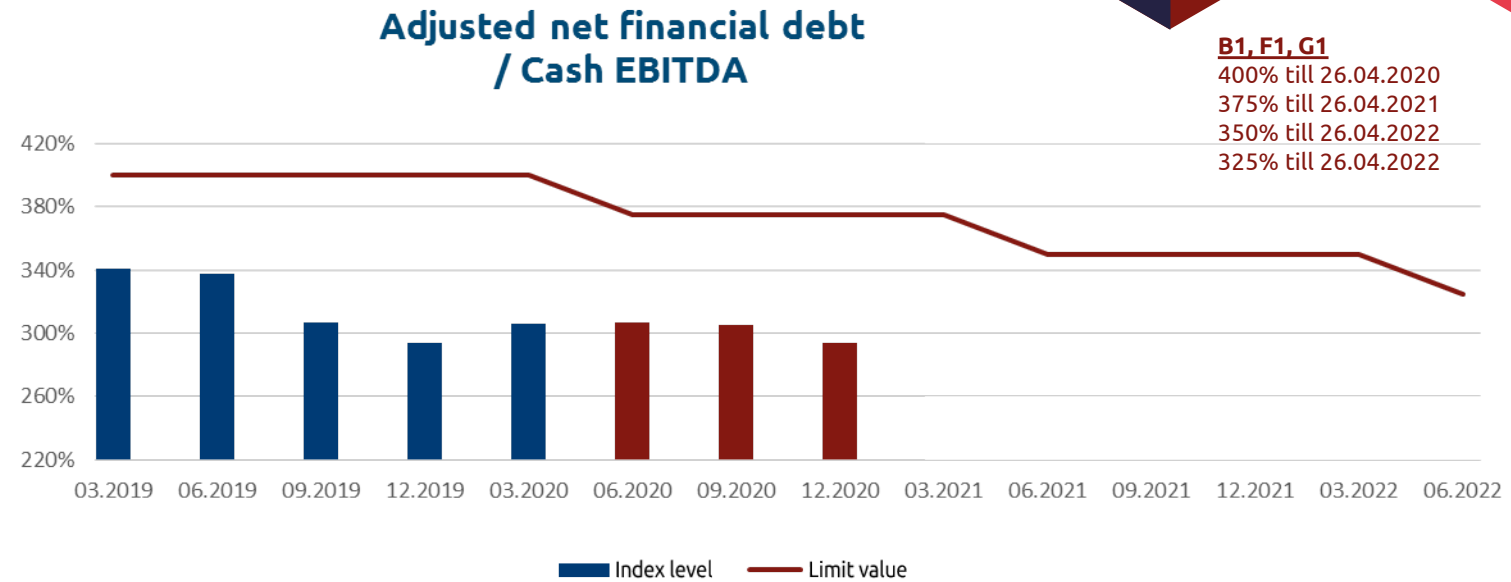
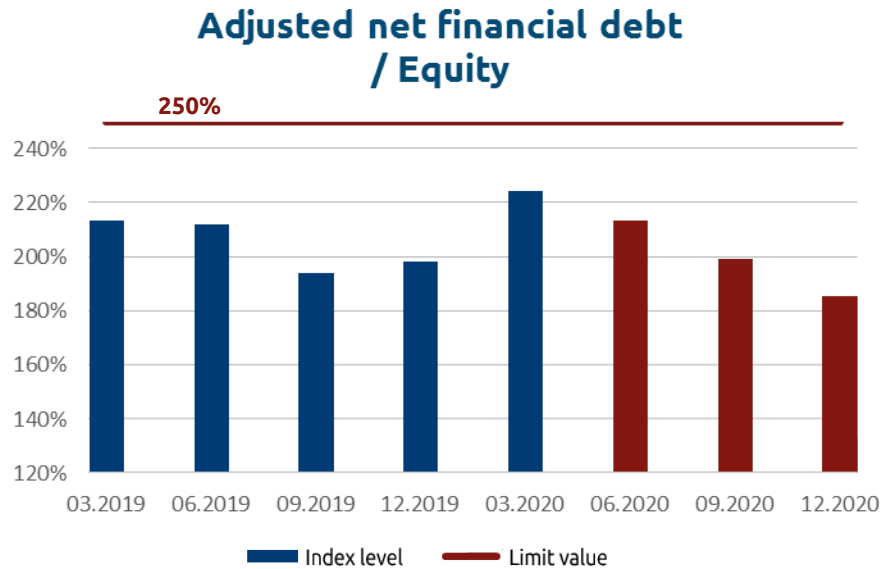
NET PROFIT / (LOSS)



NET DEBT



DEBT - P. 1



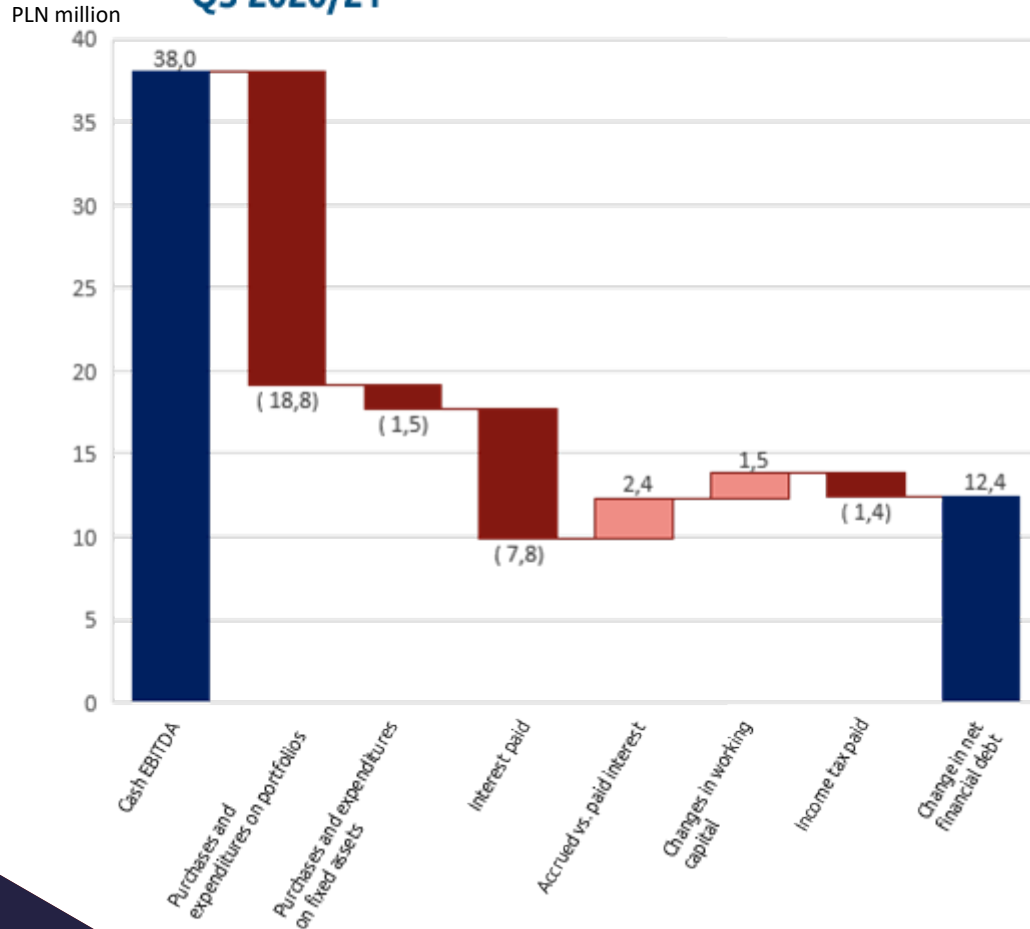
Specified maximum level of the index (different definitions for different series)

- Debt decreases in line with F1 issue
- The company is within safe margin from the WEO limits
- Covenants tightening over time hinder investments from planned bond issues

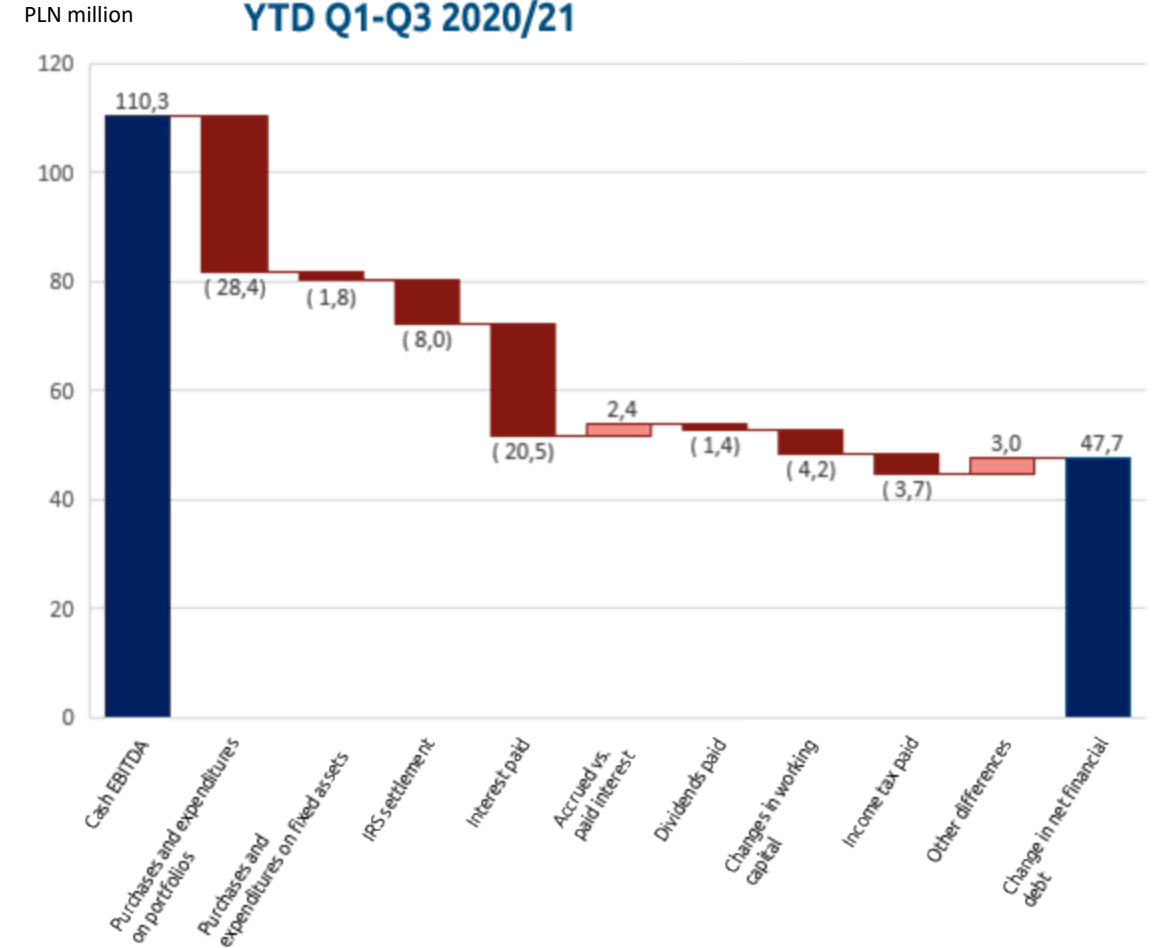
DEBT - P. 2



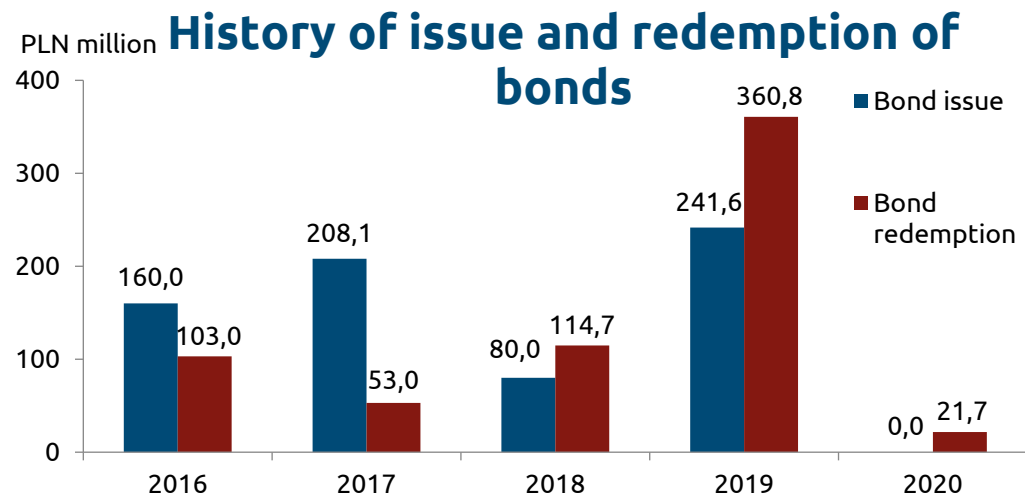
Reconciliation of cash EBITDA to change in net financial debt Q3 2020/21



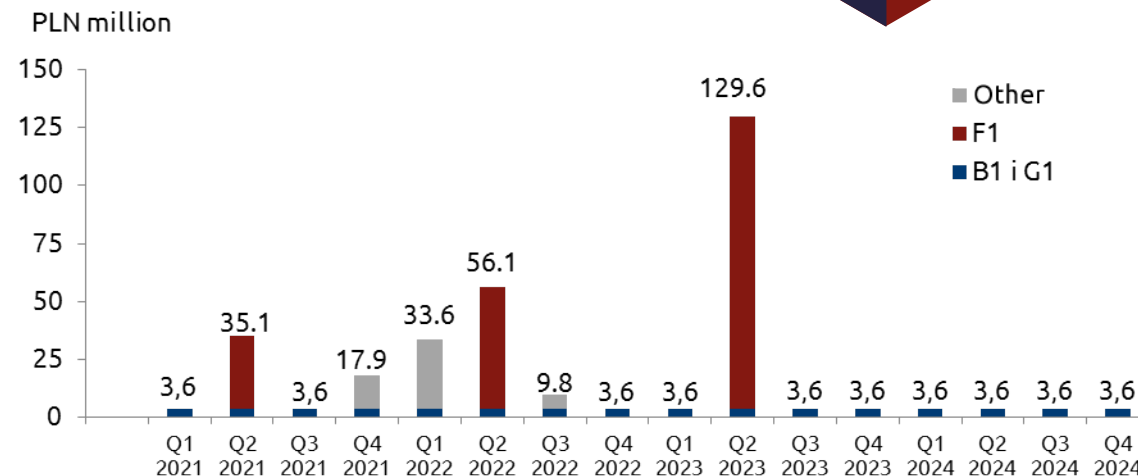
Reconciliation of cash EBITDA to change in net financial debt YTD Q1-Q3 2020/21



DEBT - P. 3



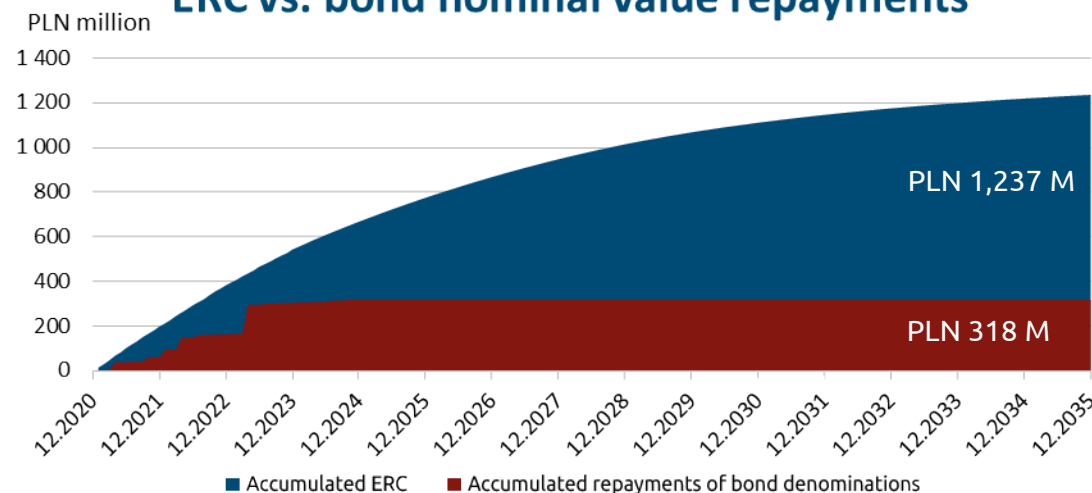
Bond repayment plan



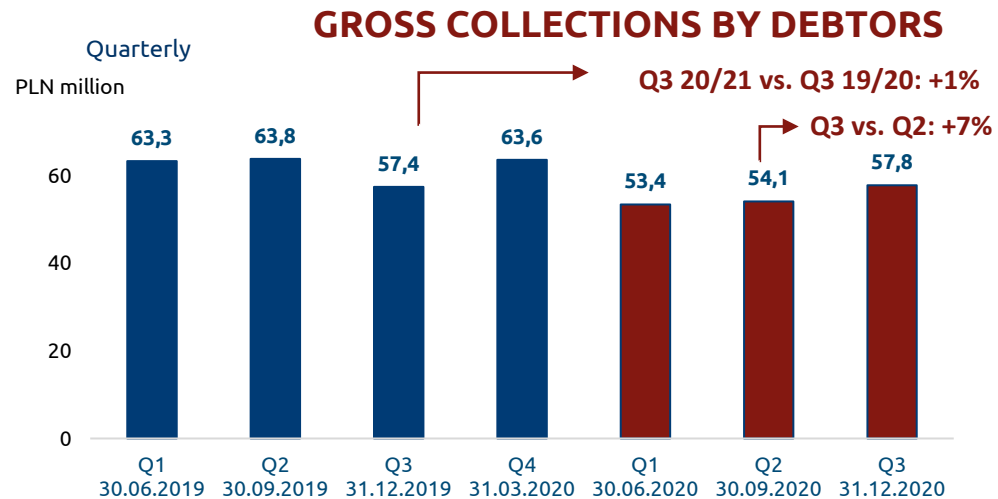
Key events in Q3 2020/21:

- Repayment of D1 bonds PLN 4.8 M
- ING credit facility of PLN 140 M refinanced
 - new loan term: 5 years
 - DSCR improvement beginning 12.2020
- Meetings of bondholders of the series B1, E1, F1 and G1 in 12.2020
 - B1, F1 and G1 – WEO change
 - E1 – no 50% quorum to change the WEO

ERC vs. bond nominal value repayments



GROSS COLLECTIONS BY DEBTORS IN PANDEMIC TIMES



Key changes in Q3 2020/21:

- Increase in gross collections by PLN 3.6 M (7%) in Q3 '20/21
 - PLN 1.1. M inflows from new portfolios purchased in Q3
 - PLN 2.5 M increase in impact from historically purchased portfolios

Impact of the pandemic on gross collections in Q1-Q3 2020/21:

- **PLN 165.3 M of payments made by YTD: surplus +PLN 20.8 M YTD** vs. gross collections forecasts included in portfolio valuation as at 31.03.2020.
- **Effect of less severe consequences of the pandemic** than the prudent forecasts contained in the valuation of portfolios as a result of the operational measures taken on portfolios

Operational changes in Q1-Q3 2020/21:

- Change of the organisational structure and strengthening of the management team
- Restructuring the amicable strategy
- Extension of the data enrichment process
- Record-breaking number of settlements concluded and record-breaking amicable gross collections on the Polish market
- Optimisation of court and enforcement proceedings and further development of a **new case management model in bailiff enforcement**
- Good dynamics of inflows in Poland since Q1 2020/21 resulting from improved operational efficiency
- Further **development of advanced data analytics**
- Continued **improvement of operational process management methodology** and development of more effective management tools
- Replication of the above activities to foreign markets in the next financial year

DEBT PORTFOLIOS



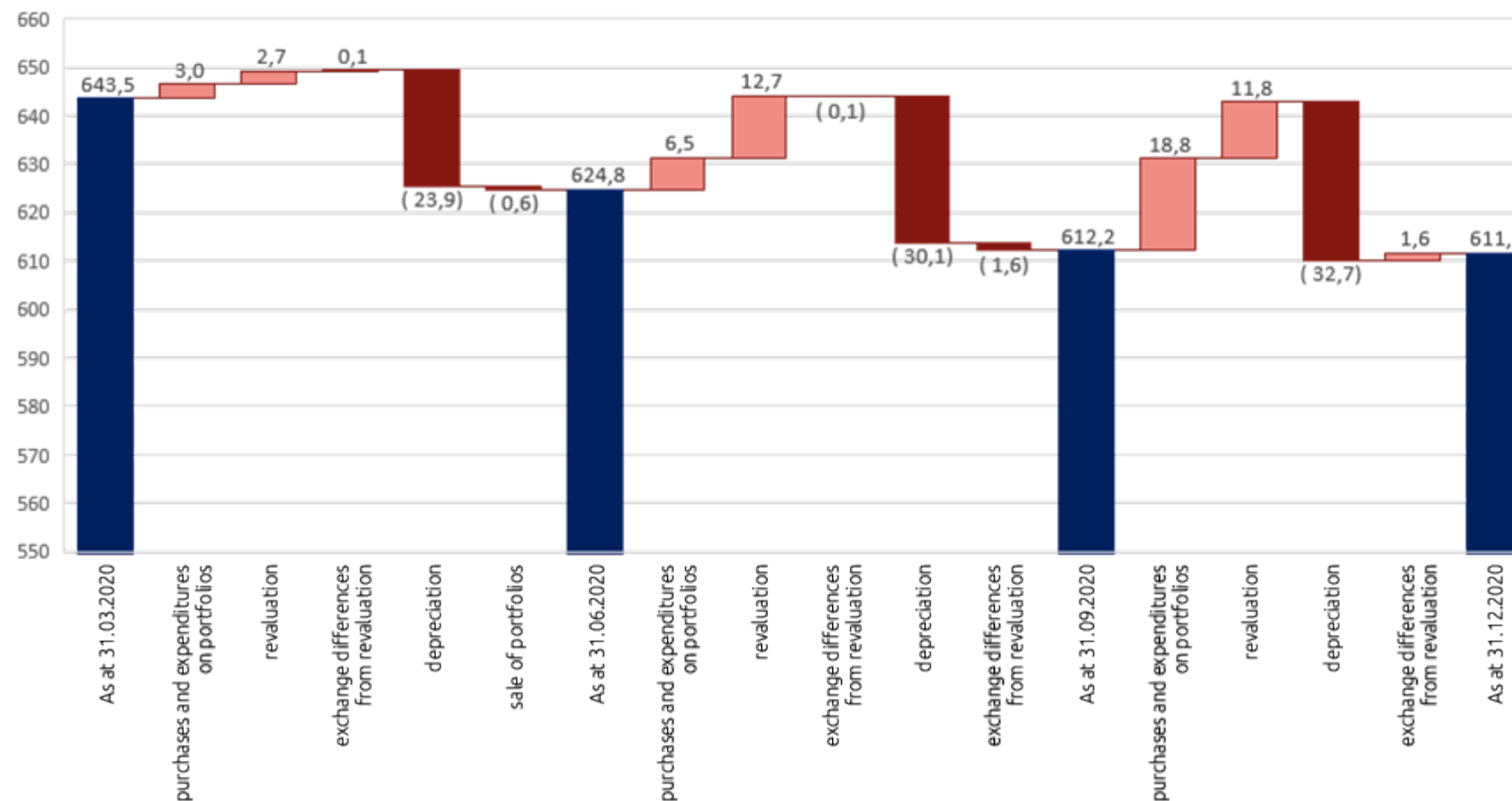
KREDYT INKASO SA

Q1 2020/21

Q2 2020/21

Q3 2020/21

PLN million



Key changes in book value in Q3 2020/21:

- **Revaluation of debt portfolios up** by PLN 11.8 M in Q3 and PLN 27.2 M YTD
 - update of forecasts as a result of overdelivery of PLN 8.9 M in Q3 and PLN 20.8 M YTD
 - update of forecasts as a result of new strategies PLN 1.5 M in Q3 and PLN 6.3 M YTD
 - foreign exchange gains of PLN 1.5 M in Q3 and PLN 0.1 M YTD
- **Gross collections higher than forecast** as a result of operational measures taken on portfolios
- **Increase in ERC** to PLN 1,237 M (1.3%) in Q3 from PLN 1,221 M at the end of Q2

PROFIT AND LOSS ACCOUNT



KREDYT INKASO SA

PLN thousand	2019/20				2020/21				Change (%)	
	Q1	Q2	Q3	YTD	Q1	Q2	Q3	YTD	Q3 / Q3	YTD / YTD
Gross collections by debtors	63,333	63,807	57,354	184,494	53,359	54,130	57,771	165,260	1%	-10%
Difference between gross collections and interest income	(27,485)	(29,531)	(27,088)	(84,105)	(23,902)	(30,091)	(32,733)	(86,726)	21%	3%
Revaluation of debt portfolios	(7,928)	(7,515)	(13,790)	(29,234)	2,679	12,723	11,781	27,183	-185%	-193%
Other net revenues	2,465	4,102	3,277	9,844	1,683	2,827	2,351	6,862	-28%	-30%
Total net revenues	30,384	30,863	19,753	81,000	33,820	39,589	39,171	112,580	98%	39%
Operating costs by kind, of which:	(26,837)	(26,331)	(25,338)	(78,506)	(22,885)	(20,248)	(23,650)	(66,783)	-7%	-15%
Depreciation and amortisation	(1,546)	(1,754)	(1,696)	(4,996)	(1,825)	(1,588)	(1,545)	(4,958)	-9%	-1%
Remunerations, social insurance contributions and other benefits	(11,418)	(9,673)	(11,640)	(32,731)	(10,213)	(9,380)	(11,241)	(30,834)	-3%	-6%
External services	(10,807)	(11,649)	(10,717)	(33,173)	(9,200)	(8,631)	(9,764)	(27,595)	-9%	-17%
Taxes and charges	(315)	(1,054)	(325)	(1,694)	(536)	(396)	(395)	(1,326)	22%	-22%
Consumption of materials and energy	(623)	(495)	(531)	(1,650)	(203)	(320)	(427)	(949)	-20%	-42%
Other	(430)	(1,706)	(648)	(2,785)	(199)	(196)	(362)	(756)	-44%	-73%
Other operating costs	(1,698)	-	219	(1,478)	(709)	263	83	(363)	-62%	-75%
Operating profit (loss) on operating activities	3,547	4,532	(5,584)	2,494	10,935	19,341	15,521	45,797	-378%	1,736%
Net financial costs	(9,517)	(9,795)	(11,822)	(31,134)	(7,658)	(8,406)	(7,318)	(23,382)	-38%	-25%
Share in profit (loss) of associates accounted for using the equity method (+/-)	2,141	6,498	1,711	10,350	-	-	-	-	-100%	-100%
Profit (loss) before tax	(3,829)	1,235	(15,697)	(18,291)	3,276	10,935	8,203	22,415	-152%	-223%
Income tax	316	(3,651)	1,739	(1,596)	(241)	(4,216)	(351)	(4,809)	-120%	201%
Net profit (loss)	(3,513)	(2,416)	(13,958)	(19,887)	3,035	6,719	7,852	17,606	-156%	-189%

- **Increase in net revenues by 39% YTD**, result:
 - **Revaluation of debt portfolios up** by PLN 11.8 M in Q3 and PLN 27.2 M YTD
 - **Increase in gross collections** by PLN 3.6 M Q3/Q2)
- **Decrease in operating costs YTD -15%**, result:
 - implemented cost discipline
 - no one-off effects in the year 19/20
- **Net financial costs**
 - **decrease by PLN 1.1 M Q3/Q2**, result:
 - PLN 1.5 M lower debt service, offset in part
 - PLN 0.4 M higher cost of foreign exchange losses
 - **decrease by PLN 7.8 M YTD**, result mainly
 - PLN 2.5 million lower debt service costs as a result of reducing the balance of financial debt
 - PLN 3.7 M of foreign exchange gains
- **Net profit: PLN 7.9 M in Q3 and PLN 17.6 M YTD - significant increase vs. previous year**

NPL MARKET



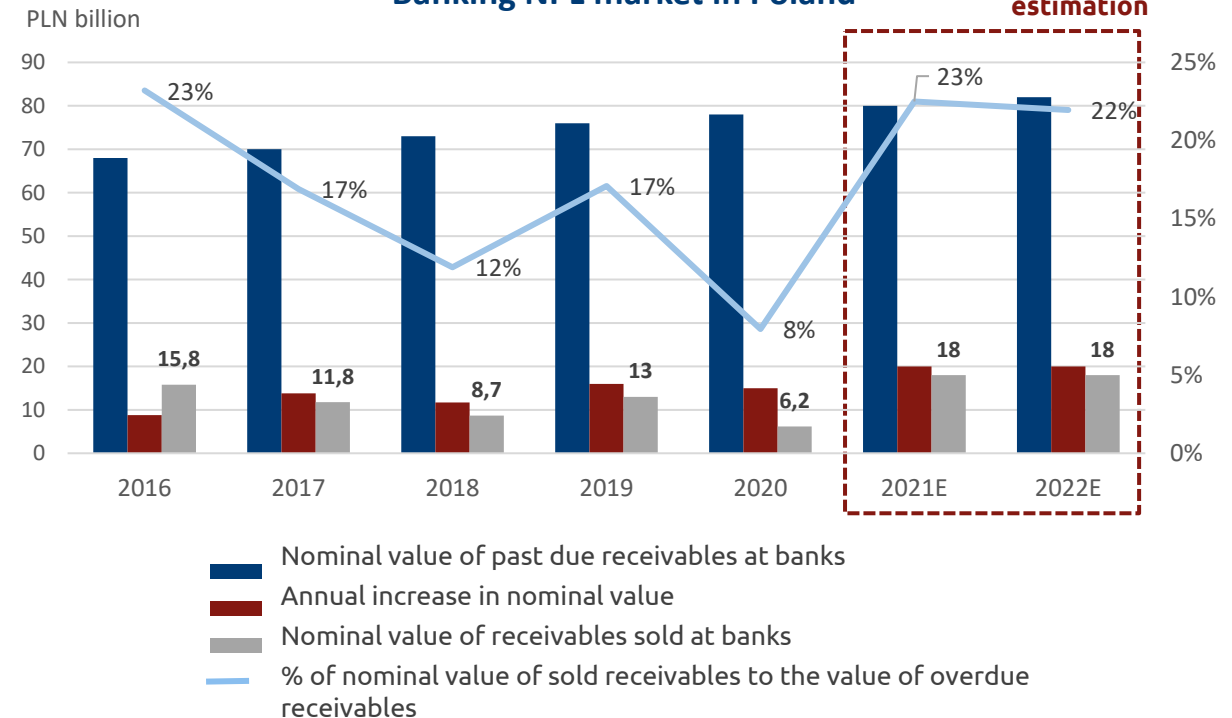
2020

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

2021 and 2022

- We expect an increased supply of receivables on the Polish market at attractive prices
- The situation in the remaining IC geography is similar, we expect a supply of approx. PLN 35 billion, mostly from the banking market
- Purchase of new portfolios will allow further growth of EBITDA and growth in company profits

Banking NPL market in Poland



CURRENT STATE OF THE COMPANY



- The costly clean-up of the past has generally been completed (simplification of structure underway)
- Operating costs were significantly reduced (-15% YTD)
- Collections are stable despite pandemic
- The company has PLN 55.7 M cash as at 31.12.2020 for the planned amortisation of the PLN 35 M bond denomination in Q2 calendar year.
- Repayments of bonded debt with a nominal value of PLN 318 M as at 31.12.2020 are not at risk, their distribution over time corresponds to the expected liquidity
- ING credit refinanced in Q3, new loan term: 5 years (previously 3 years)
- The company is adequately equipped in terms of systems, experience and human capital, and has provisions for further cost and operational efficiency gains
- The supply of debt portfolios should increase in 2021 and 2022.
- Impact of a court decision on securing claims of a minority shareholder - current report No. 3/2021 and No. 4/2021
 - Supervisory Board - remains unchanged
 - Management Board - functions normally (President of the Management Board except for decisions exceeding ordinary management and actions exceeding PLN 500,000)

SUMMARY AND PLANS



- After initial acquisitions, preparing for new investments in debt portfolios
 - Simplifying covenants so that funds can be invested from bond refinancing
- Planned issues to existing bondholders and new bondholders (prospectus in the PFSA for PLN 150 M)
 - The planned new bond issues will not be higher than the currently planned repayment of debt under credits and bonds (PLN 118 M in FY 21/22 and PLN 101 M in FY 22/23)
 - Debt will decrease or remain at current level
 - Current debt ratios will improve
 - The market valuation of the F1 series (different from other series) does not reflect the current situation of the Company
 - **New bond issues increase CF available to existing bondholders**

**Thank you
for your
attention!**

Kredyt Inkaso S.A.
ul. Domaniewska 39
02-672 Warszawa

Maciej Szymański

President of the Management Board

e-mail: maciej.szymanski@kredytinkaso.pl

Barbara Rudziks

Vice-President of the Management Board

e-mail: barbara.rudziks@kredytinkaso.pl

Tomasz Kuciel

Member of the Management Board

e-mail: tomasz.kuciel@kredytinkaso.pl