

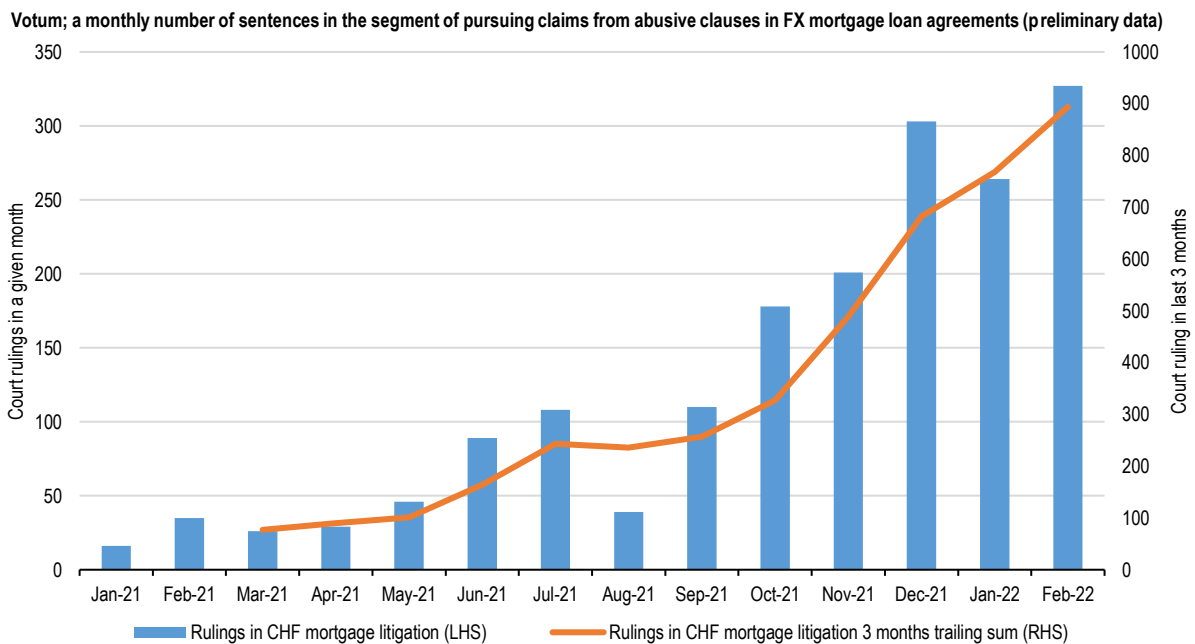
128/2022/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
<b>Votum</b>	<b>Buy</b>	<b>23.80</b>	<b>Overweight</b>	Michał Sobolewski, CFA, FRM

**Event: Key indicators for the banking segment in February and March; preliminary 4Q21 revenues**

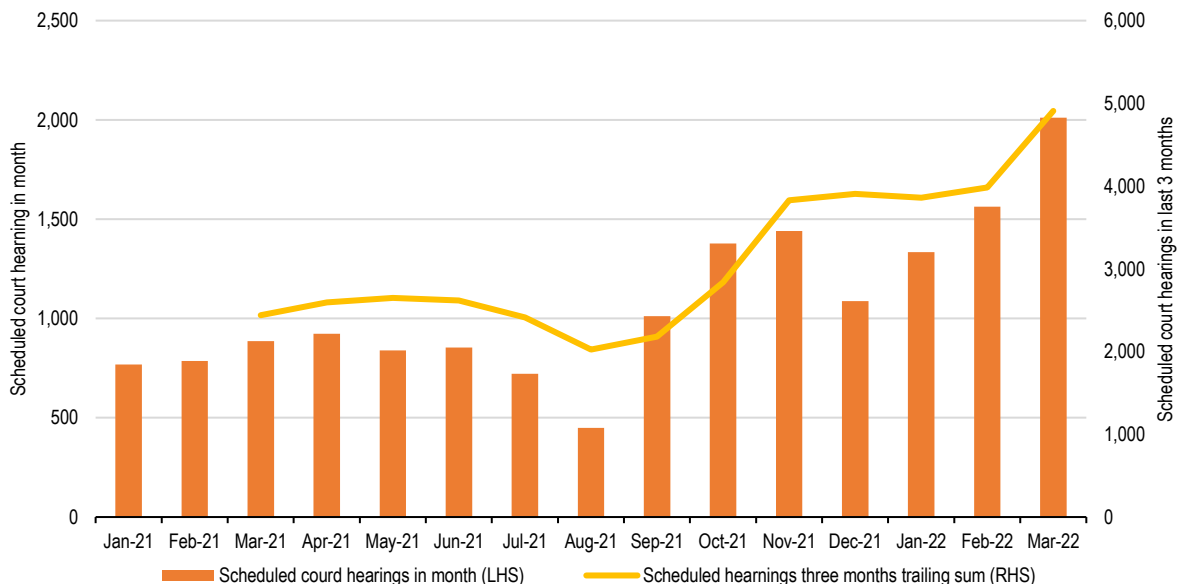
On March 15 Votum revealed their monthly and quarterly reports with key indicators for the segment of pursuing claims from abusive clauses in FX mortgage loan agreements. The first report presents monthly key indicators for the banking segment in February and March. For the first time ever, Votum released their monthly data in the format of a current report, before there were only quarterly reports. We believe this will provide broader insight for the shareholders and will help them to better assess the development prospects of one of the Group's key segments.

**The court sentences in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements.** In February the courts of both instances handed down 327 sentences, including 296 in the courts of the first instance (90% of these sentences stated the invalidity of agreements with merely 2% that dismissed claims in their entirety) and 31 in the courts of the second instance (87% stating the invalidity of agreements with none that dismissed claims). In recent months we observe a material increase in a number of court decisions (in February this number reached the historically highest level). The number of sentences directly translates into a size of the revenue from the success fee booked. The data for the first 2 months of 2022 definitely imply a further increase on this front.



**A number of court hearings related to pursuing claims from abusive clauses in FX mortgage loan agreements.** In March Votum will attend 2,011 court hearings related to pursuing claims from abusive clauses in FX mortgage loan agreements. There is a visible increase in a number of court hearings this year; in the first 3 months of 2022 it actually reached the historical peak (corroborated by a 3-month sum) for the segment.

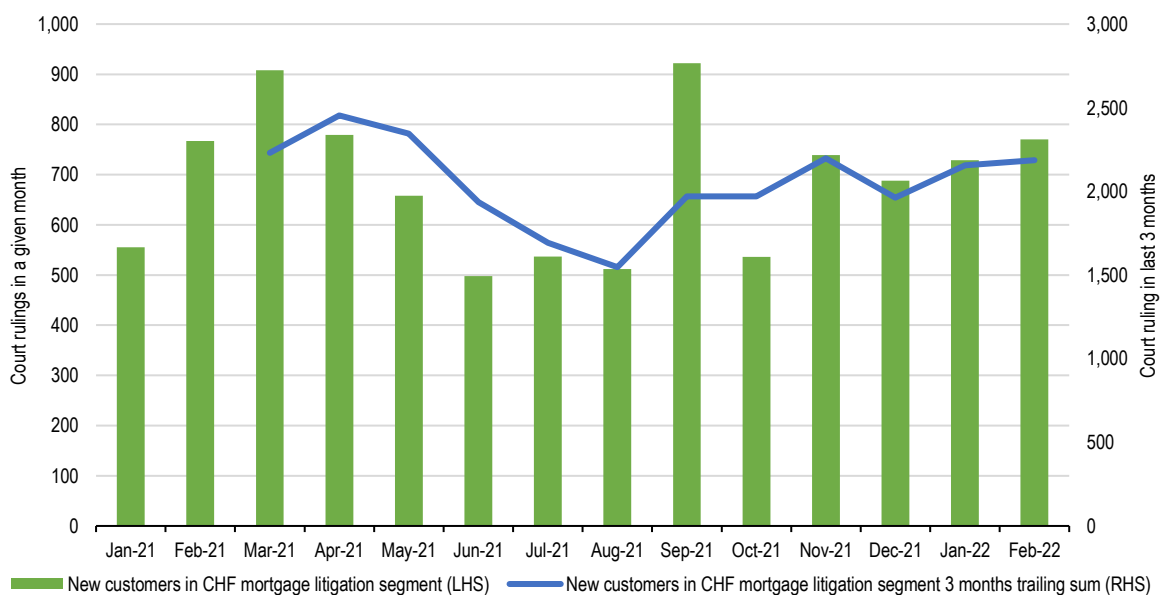
Votum; a monthly number of court hearings in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements (preliminary data)



Source: Company

**New clients acquired in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements.** In February a number of new contracts stood at 770 which implies a gradual increase as compared to previous months. A further rise should be supported by the depreciation of PLN vs CHF.

Votum; contracts acquired monthly in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements (preliminary data)



Source: Company



The second current report covers preliminary results related to 4Q21 success fee revenue (recognized in accordance with the IFRS 15 standard). Given a material rise in a number of the courts of the first instance sentences, this component's contribution to revenues will continuously grow as well and that's the factor with primary importance for the segment's financial results. The earlier release of the revenues components should be viewed as positive, and likewise the monthly data.

The Company informed that the segment of pursuing claims from abusive clauses in FX mortgage loan agreements generated PLN 16.8 million of the revenues from the remuneration due for the adjudicative decisions delivered by the courts of the first instance, with PLN 11,2 million of net income. The above mentioned data are partial and do not include the remaining revenues, especially the initial remuneration and the remuneration related to the final judgments. In the 3Q21 report, the revenues in the segment of pursuing claims from abusive clauses in FX mortgage loan agreements reached PLN 10.3 million (from the beginning of the year; recognized according to the IFRS 15 standard) which implies that in the sole 4Q21 the segment generated higher revenues (by 62%) than in the first 3 quarters of last year. This implies a very high revenue dynamic which will be recognized in 4Q21 in the segment, and, what's more, this high dynamic should stay in the coming quarters given the expected rise in a number of court sentences.

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*The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.*