

NET INCOME 1Q25: >+100% Y/Y

- **Net income: 1.9 million**
- **Pawn loans: 153.4 million, +25% y/y**
- **Total income: 8.3 million, +49% y/y**

Milan, 08 May 2025

The Board of Directors of Kruso Kapital has approved the consolidated financial statements as at 31 March 2025, reporting a sharp **y/y** increase (**+138%**), with a **net income of 1,922 thousand**. The 1Q25 net income included the contribution by Pignus – Crédito Económico Popular (CEP), the Portuguese subsidiary consolidated since November 2024.

On 31 March 2025, there were roughly 98 thousand pawn tickets underlying the 153.4 million loans, on the rise both on a quarterly and on a yearly basis, driven among other things by the consolidation of CEP. With regard to the pawn loan business in Italy, 19 auctions of pawned assets were held in the quarter (18 in 1Q24), against a higher number of lots y/y.

Total income rose by 49% y/y (8.3 million vs 5.5 million on 31.3.2024), mainly driven by the contribution of pawn loans originated in Italy, as a result of greater loan volumes and higher profitability, higher commissions and CEP's contribution. The increase in interest income and commission income from pawn loans more than offset the increase in interest expense, notwithstanding the decline in the cost of funding compared to 4Q24. The 44% increase y/y in net commissions was driven by the higher number of auction lots in Italy with rising gold prices, and the related revenues more than offset the lower revenues for the auction houses.

Loan loss provisions declined y/y as a result of the new lending policy (for KK and CEP): besides the new loan classification, new coverage ratios were adopted, in particular in CEP, giving rise to a decrease in LLPs.

The y/y change in **Operating costs** was basically the result of higher personnel expenses, due also to the consolidation of CEP. Other administrative expenses rose y/y, driven by higher stand-alone costs (which include non-recurring costs) and CEP's consolidation. The change in the amortization of intangible assets was driven by the share of the premium from the purchase of a pawn loan portfolio, as explained in a previous press release published on 24 January 2025, that was recognized under intangible assets. The Group headcount on 31.3.2025 came in at 147 employees (91 on 31.3.2024), and the y/y increase was mainly attributable to the consolidation of CEP's staff.

Income before taxes increased by more than 100% y/y, driven by the strong growth in revenues, featuring a faster rate compared to cost dynamics.

Total assets, up 5% compared to 31 December 2024, mainly comprised customer loans originated by the pawn loans business (up 6.6% compared to 31.12.2024) and by goodwill, totaling 41.1 million. In 1Q25, the company reclassified loans in accordance with the feedback from the Bank of Italy (see the press release dated 20.12.2024). As a result, on 31.3.2025, 34.2 million were classified as nonperforming loans (0.5 million on 31.12.2024), out of a total loan stock of 153.4 million. Out of 34.2 million worth of nonperforming loans, 29.1 million were past due loans (in actual fact, pawn tickets overdue for more than 90 days), and 5.1 million were unlikely-to-pay loans (mostly pawn tickets waiting to be auctioned).

When a pawn loan is not redeemed, it is recovered by auctioning the good pledged as a security (the procedure and the timing are up to the individual company); hence, the reclassification was not due to an increase in credit risk, which indeed remains very low (in spite of the impact from the first time adoption of the new lending policy, the Cost of Risk on 31.3.2025 came in at about 10bps).

Intangible assets reported an increase as a result of the recognition of a large share of the premium generated by the purchase of a pawn loan portfolio in January 2025.

Financial liabilities measured at amortized cost included the auction surpluses, up by 18% compared to 31.12.2024. Due to banks included the credit facilities granted by Banca Sistema and by other banks (about 30% of total funding).

Shareholders' Equity on 31.3.2025 totaled 51.4 million, up from 49.5 million on 31.12.2024.

On 31 March 2025, total own funds (Total Capital) on a stand-alone basis came to 20.5 million (the same in terms of CET1). **Total Capital Ratio (TCR) went down to 20.5%** compared to 31.12.2024 (22%). The quarter-on-quarter decline of TCR was mainly due to the increase in RWAs, which went from 92.0 million on 31.12.2024 to 100.1 million on 31.3.2025, due to the new loan classification. In spite of the increase in RWAs, the TCR remains well above the minimum capital requirement, and also above the estimate as at 31.12.2024 (20%) based on the current loan classification (see press release of 6.2.2025)¹.

All financial amounts reported in this press release are expressed in euros.

¹ The Total Capital Ratio assuming the adoption of CRR3 (i.e., ineligibility of non-investment gold as collateral, and new method to calculate operational risk) would come to 12.1%. For Kruso Kapital, CRR3 is not expected to be adopted before 1 January 2026.

Contacts:

CFO & Investor Relations

Carlo Di Pierro

Tel. +39 335.5288794

E-mail carlo.dipierro@krusokapital.com

Media Relations Gruppo Banca Sistema

Patrizia Sferrazza

Tel. +39 02 80280354 - +39 335.7353559

E-mail newsroom@KrusoKapital.com

Carlotta Bernardi

Tel. + 39 333.9477814

E-mail c.bernardi@barabino.it

Euronext Growth Advisor

Alantra Capital Markets

E-mail ega@alantra.com

Kruso Kapital S.p.A.

Kruso Kapital, part of Gruppo Banca Sistema and listed on the Euronext Growth Milan segment of Borsa Italiana, started to operate under this business name in November 2022 and is the first operator belonging to a banking group engaging in both the collateralized loans and the art, luxury and collectibles auction businesses. Through its brands, its innovative services and products, the company engages in the valuation and investment of valuables and works of art. It is active in the collateralized loans business through its ProntoPegno-branded branches in Italy and Greece, while in Portugal it operates through the brand Credito Economico Popular, granting loans secured by assets pledged as collateral. Its auction house, Art-Rite, is a leading player in modern, contemporary, and ancient art auctions, as well as other collectibles, such as philately and classic cars. Headquartered in Milan, Kruso Kapital also has 15 branches located in Asti, Brescia, Civitavecchia, Florence, Livorno, Mestre, Naples, Palermo, Pisa, Parma, Rimini, Rome, Sanremo, Turin, 1 in Athens and 16 between Lisbon and Porto, it has 147 employees and relies on a multichannel structure.

Attachments

- **Consolidated balance sheet**
- **Consolidated income statement**

KRUSO KAPITAL : CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Euro

	Item	31.03.2025	31.12.2024	% Change
	Assets			
10.	Cash and cash equivalents	8.359	9.016	-7,3%
40.	Financial assets measured at amortised cost	153.451	143.879	6,7%
	a) loans and receivables with banks	59	34	73,5%
	b) loans and receivables with customers	153.392	143.845	6,6%
80.	Property and equipment	4.402	4.612	-4,6%
90.	Intangible assets	44.735	43.264	3,4%
	<i>of which: goodwill</i>	41.155	41.155	
100.	Tax assets	465	404	15,1%
120.	Other assets	4.000	3.309	20,9%
	Total Assets	215.412	204.484	5,3%
	Liabilities and equity			
10.	Financial liabilities measured at amortised cost	149.426	141.830	5,4%
	a) liabilities	149.426	141.830	5,4%
60.	Tax liabilities	4.982	3.998	24,6%
80.	Other liabilities	7.818	7.354	6,3%
90.	Post-employment benefits	830	872	-4,8%
100.	Provision for risks and charges	975	971	0,4%
110. + 140. + 150. + 160.	Share capital, share premium, reserves, valuation shares	49.459	44.959	10,0%
170.	Profit for the year	1.922	4.500	-57,3%
	Total liabilities and equity	215.412	204.484	5,3%

KRUSO KAPITAL: CONSOLIDATED INCOME STATEMENTS

Amounts in thousands of Euro

	Item	31.03.2025	31.03.2024	% Change
10.	Interest and similar income	4.756	3.335	42,6%
20.	Interest and similar expenses	(1.267)	(1.121)	13,0%
30.	Net interest income	3.489	2.214	57,6%
40.	Fee and commission income	4.834	3.368	43,5%
50.	Fee and commission expenses	(57)	(39)	46,2%
60.	Net fee and commission income	4.777	3.329	43,5%
120.	Total income	8.266	5.543	49,1%
130.	Net impairment losses/gains	(42)	(70)	-40,0%
150.	Net financial income	8.224	5.473	50,3%
160. a)	Personnel expenses	(2.408)	(1.877)	28,3%
160. b)	Other administrative expenses	(2.238)	(1.819)	23,0%
180. + 190.	Net impairment losses on property and equipment/intangible assets	(656)	(396)	65,7%
200.	Other operating income	90	10	>100%
210.	Operating costs	(5.212)	(4.082)	27,7%
260.	Pre-tax profit from continuing operations	3.012	1.391	>100%
270.	Income taxes	(1.090)	(582)	87,3%
300.	Profit for the year	1.922	809	>100%