

November 2022 Investor Presentation

A Global Leader in Acquiring and
Collecting Nonperforming Loans



Forward-Looking Statements

Statements in this presentation, other than statements of historical fact, are forward-looking statements, which are based on our current beliefs, projections, assumptions and expectations concerning future operations and financial performance. Such statements involve uncertainties and risks, some of which are not currently known to us, and may be superseded by future events that could cause actual results to differ materially from those expressed or implied in this presentation.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this presentation and are qualified in their entirety by these cautionary statements.

Information regarding risks and other factors that could cause our actual results to differ materially from our expectations can be found in our most recent Annual Report on Form 10-K and in subsequent SEC filings and should be considered in evaluating the forward-looking statements in this presentation. Except as required by law, we assume no obligation to update or revise these statements to reflect changes in the events, conditions, or circumstances upon which any such forward-looking statements are based.

Agenda

Industry Overview

Company Overview

Market Overview

Financial Overview

Investing in PRA Group

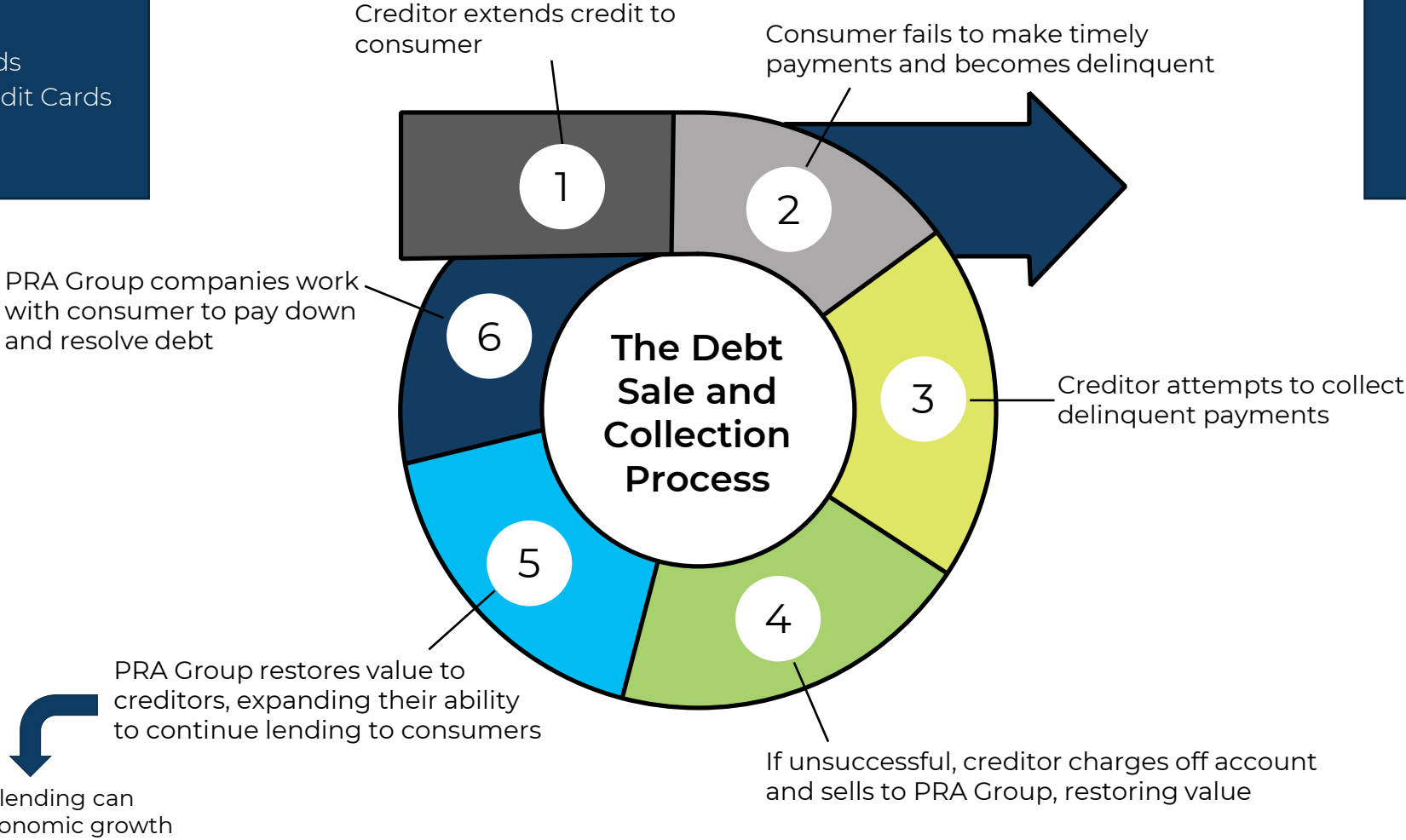
Appendix



PRA Group's Role in the Economy

- Asset Types:**
- Major Credit Cards
 - Private Label Credit Cards
 - Auto Loans
 - Personal Loans

- Steps 2-3:**
- Creditor's lending behavior is affected
 - Consumer's credit score is negatively impacted



Agenda

Industry Overview

Company Overview

Market Overview

Financial Overview

Investing in PRA Group

Appendix



A Global Leader with a Proven Track Record of Success

3,000+

Employees Worldwide

18

Countries

\$764 million

Portfolio Purchases (LTM)

\$5.3 billion

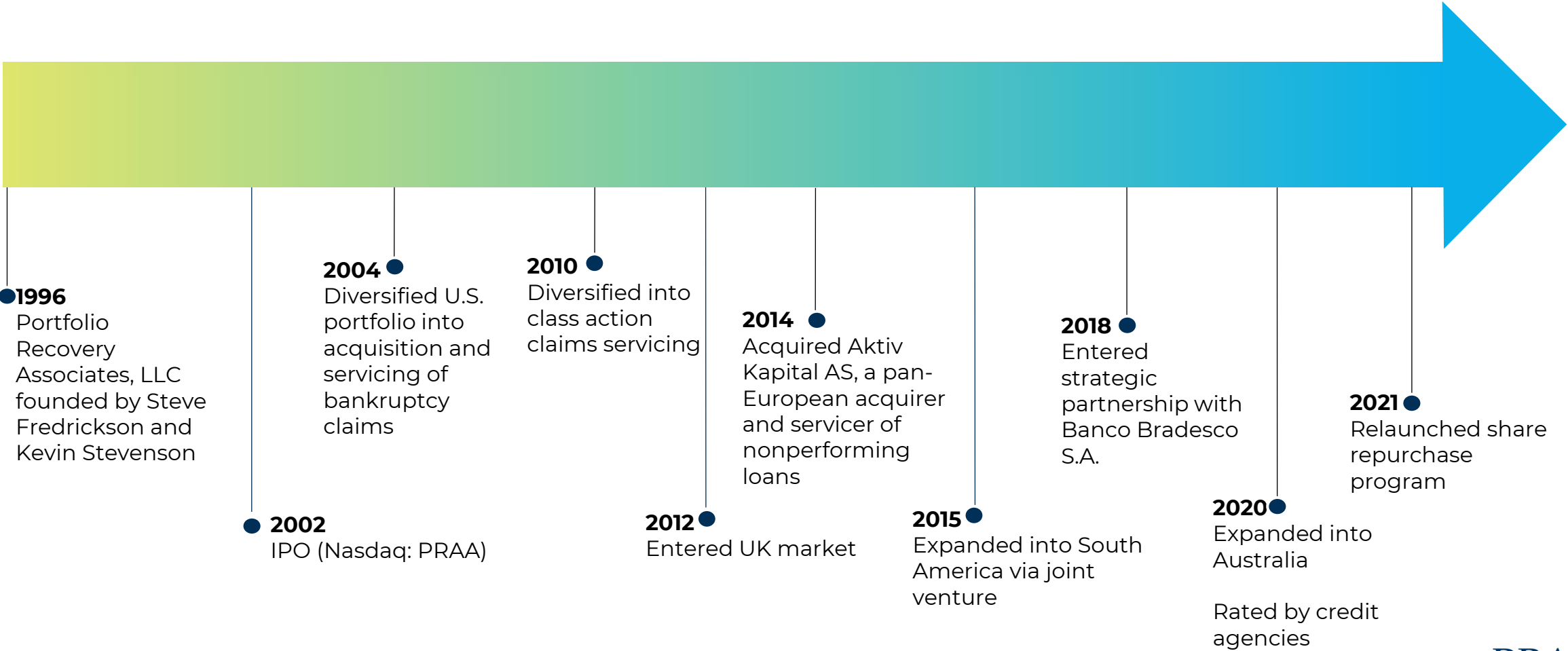
Estimated Remaining Collections (ERC)¹

25+

Years in Business



PRA Group History



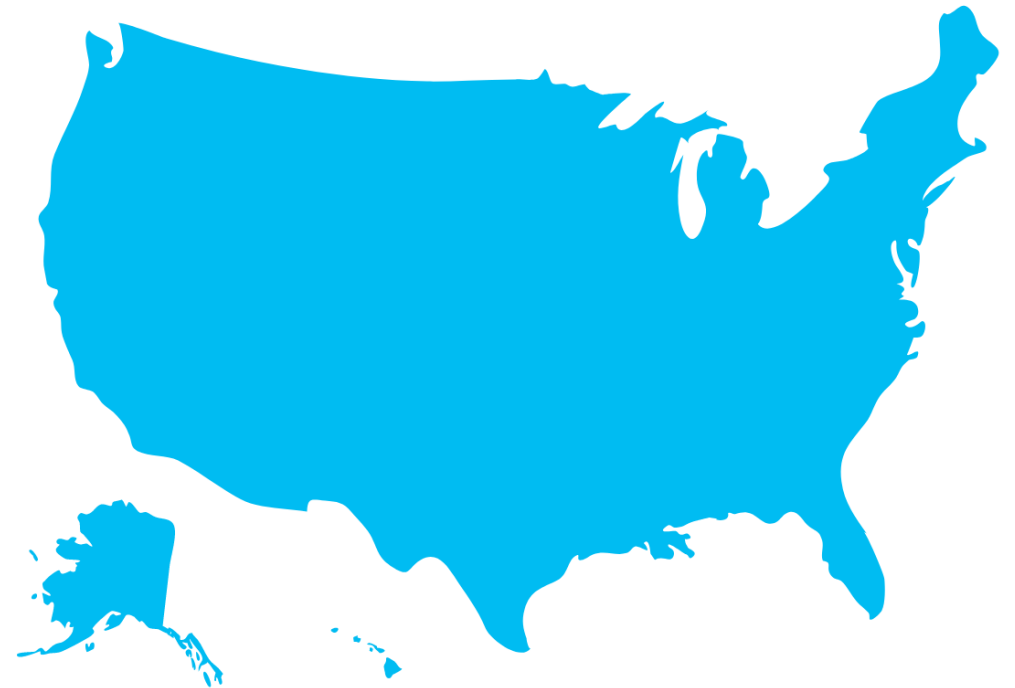
One of the Largest Debt Buyers in the U.S.

25+ year track record as a key buyer in one of the world's largest NPL markets

Strong seller relationships

Stable trends in supply and returns

Multifaceted and comprehensive focus on compliance



Continuing to Expand With Discipline in Europe

Multiple locations with over 850 FTEs

Own portfolios in 13 countries, with UK as our largest market

Strong seller relationships

29-year track record¹

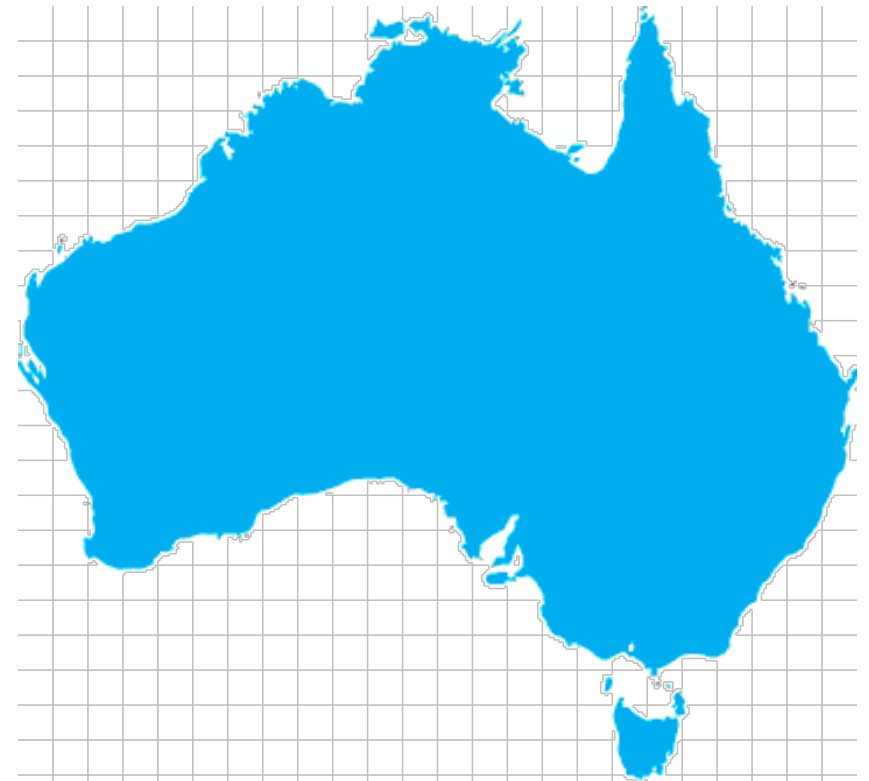


Committed to Continue Growing in Australia

Large number of sellers

Operation fully running & ready to scale

Long-term focus with a disciplined investment approach



Agenda

Industry Overview

Company Overview

Market Overview

Financial Overview

Investing in PRA Group

Appendix



Economic Data Suggest More Supply is on the Way



- **Inflation in U.S.** is at 8.2%, near 41-year high of 9.1% achieved in June 2022¹

- **Inflation in UK** is at 10.1%, returning to July's 40-year high²

- **Gas, food & electricity prices on the rise**, especially in Europe where the Russian invasion of Ukraine is having a significant effect

- **Q3 2022 U.S. personal consumption expenditures** up \$239 billion YoY³

- **U.S. savings rate as a % of disposable income** declined to 3.1% in Sept 2022 (lowest level since 2007)³

- **UK households' disposable income** fell in real terms for the fourth quarter in a row⁴

- **Q2 2022 U.S. credit card balances** up 13% YoY to \$890 billion⁵, marking the largest YoY increase in more than 20 years

- **UK credit card borrowing** annual growth rate was 12.1% in September⁶

- **Delinquency rates on credit cards in U.S.** are up three consecutive quarters from the historic low set in Q3 2021⁷

- **U.S. credit card charge-off rates** have been in the 1.5% to 3% range since the beginning of 2021⁷

- **We do not believe these historically low levels are sustainable**, and expect gradually rising delinquency rates to translate to higher charge-off rates

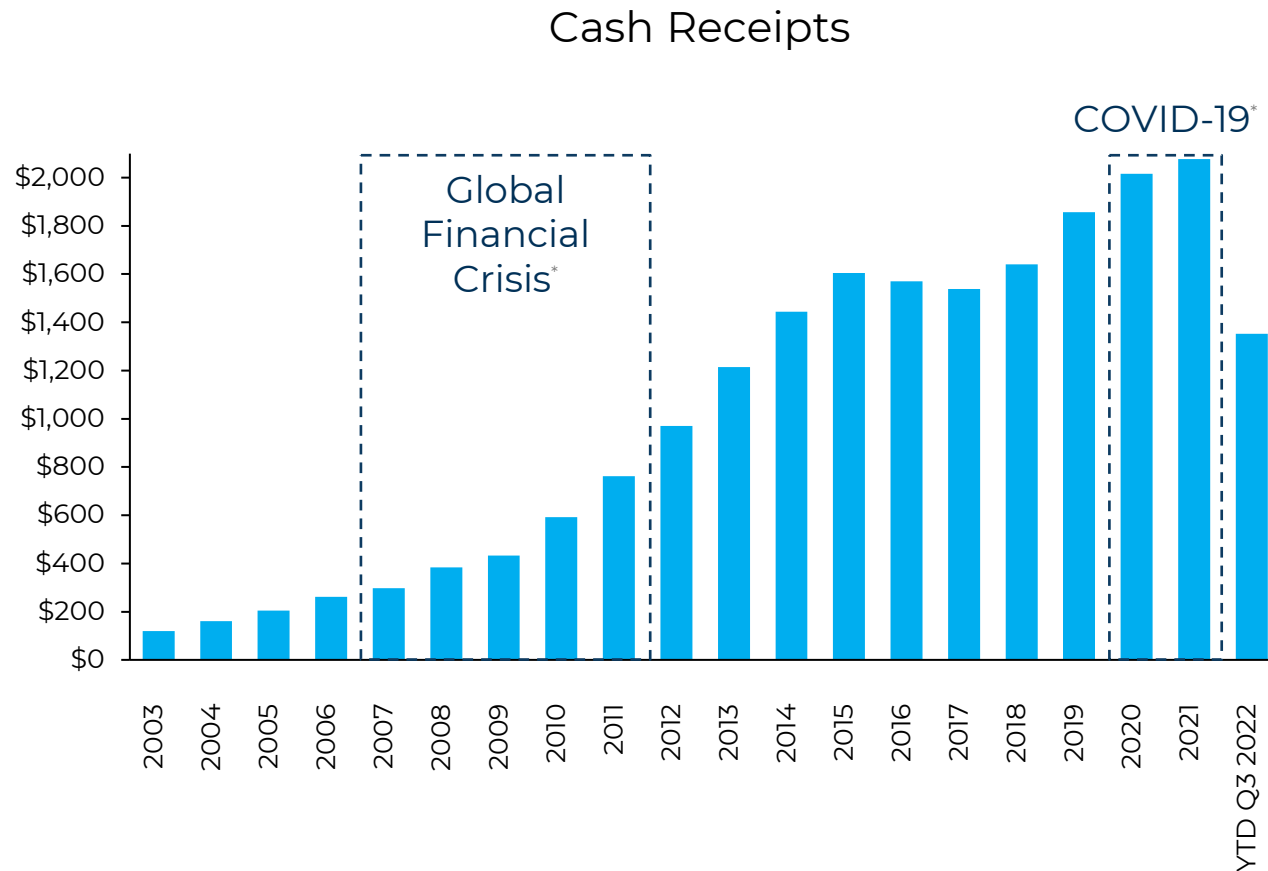
- **As more consumers default on their obligations and debt sellers dispose of their charged-off portfolios**, we are in a strong financial position to acquire these portfolios and grow our collections, revenue, and profitability

- Already taking place
- Not yet in effect

Nasdaq: PRAA

1. Consumer Price Index for All Urban Consumers over the 12 months ended September 2022. Bureau of Labor Statistics.
2. Consumer Price Inflation, UK: September 2022, Office for National Statistics.
3. Bureau of Economic Analysis.
4. Households: Real Disposable Income, per head as of June 30, 2022, UK Office for National Statistics.
5. Q2 2022 Household Debt and Credit Report. Federal Reserve Bank of New York.
6. Money and Credit September 2022, Bank of England.
7. Delinquency Rate on Credit Card Loans, All Commercial Banks. Board of Governors of the Federal Reserve System. As of June 30, 2022.

How We Have Performed in Past Recessions



- Our paying customers have *already* been through what we call a “personal recession”
 - When an economic recession occurs, **current customers continue to pay**
 - Collections are not materially impacted
- Recessions generally lead to **more charge-offs** and **more supply** for PRA to purchase

Agenda

Industry Overview

Company Overview

Market Overview

Financial Overview

Investing in PRA Group

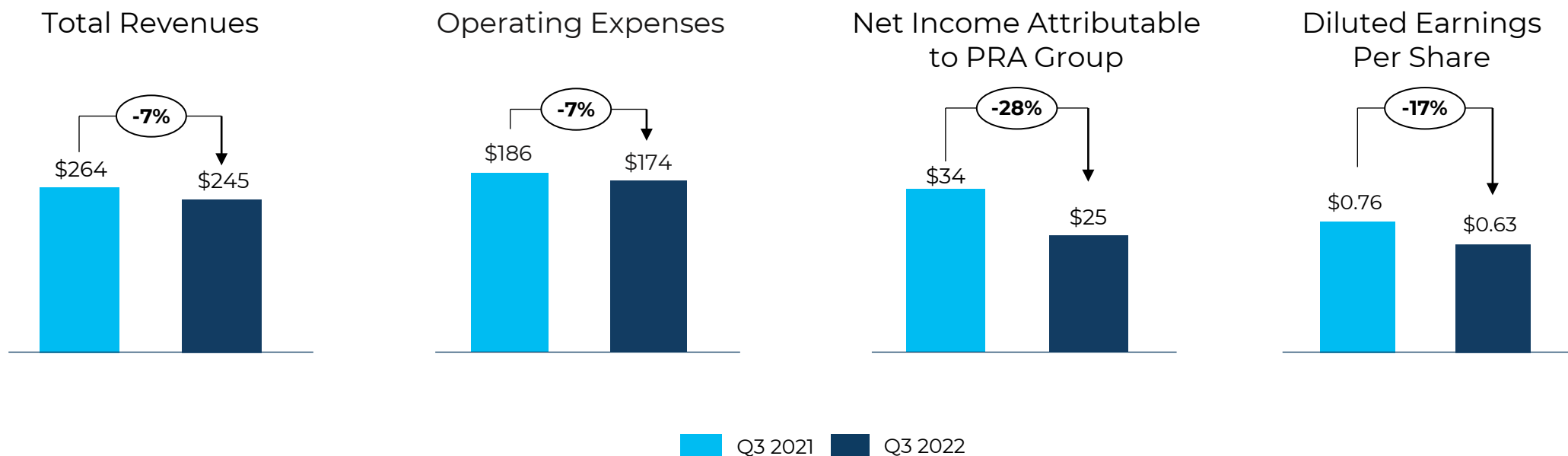
Appendix



Q3 2022 Financial Results

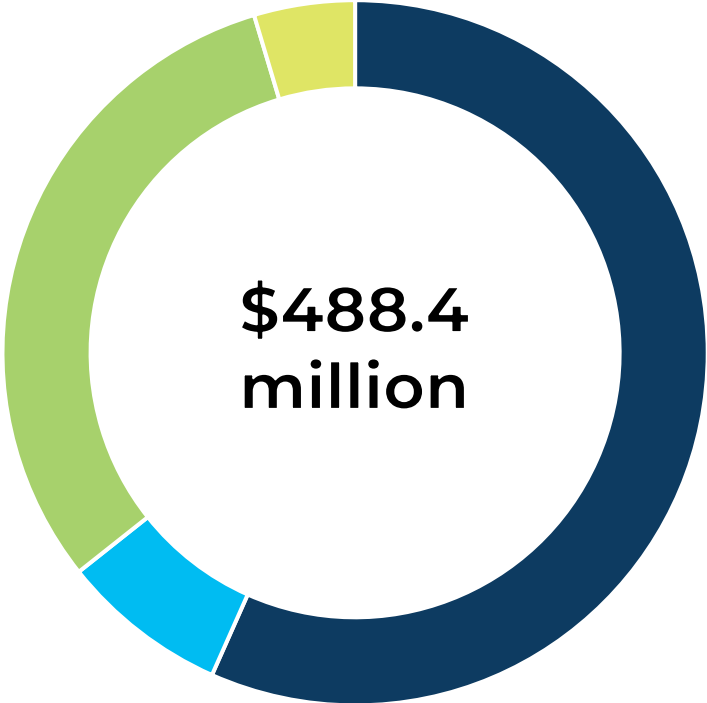
Decreased Revenues and Expenses After Record Year

\$ in millions, except per share amounts

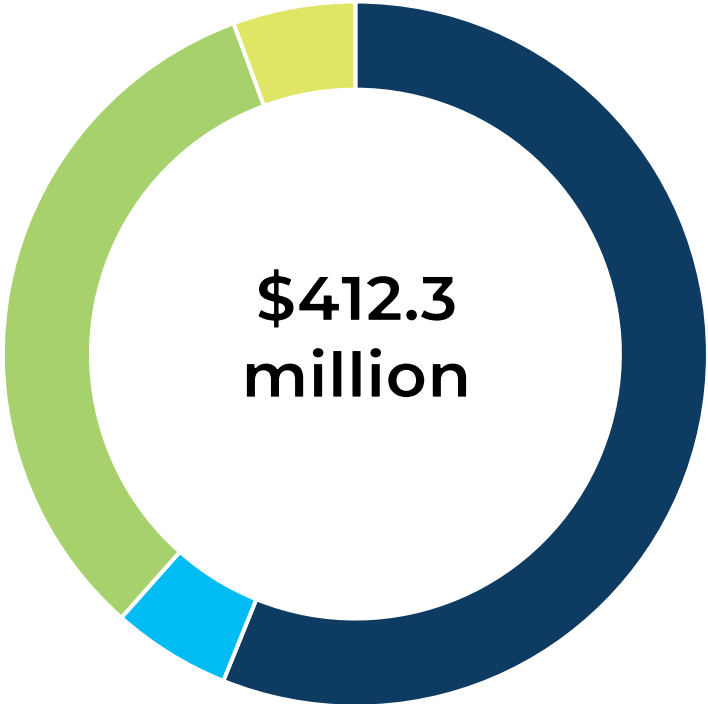


Cash Collections

Third Quarter 2021



Third Quarter 2022

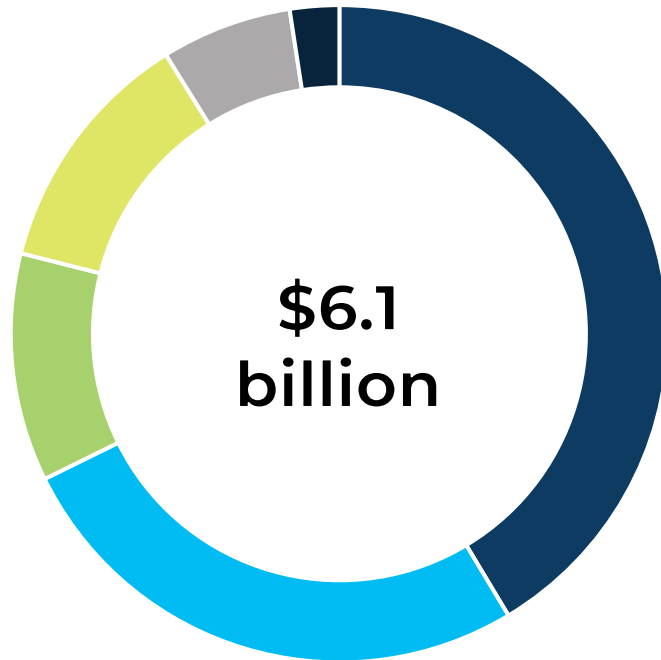


■ Americas & Australia Core ■ Americas Insolvency ■ Europe Core ■ Europe Insolvency

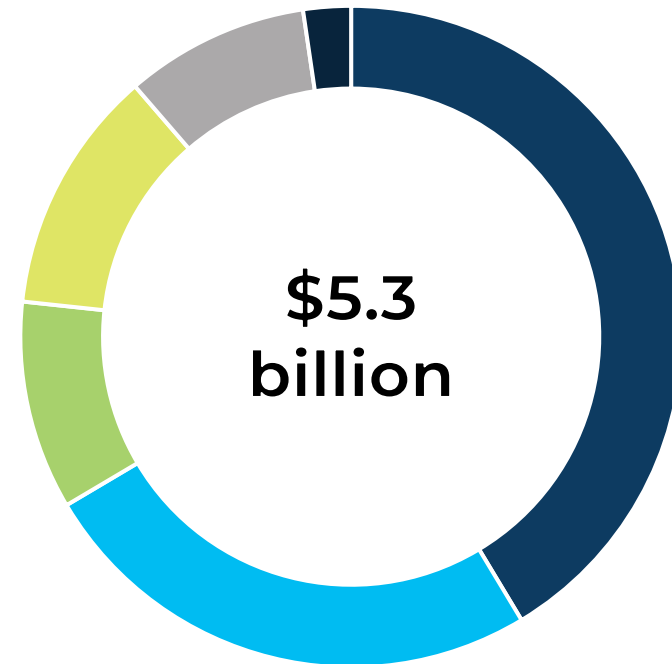
ERC¹ is Diversified with 50% in Europe and 41% in U.S.

Continued strengthening of US dollar reduced ERC by ~\$577 Million

As of September 30, 2021



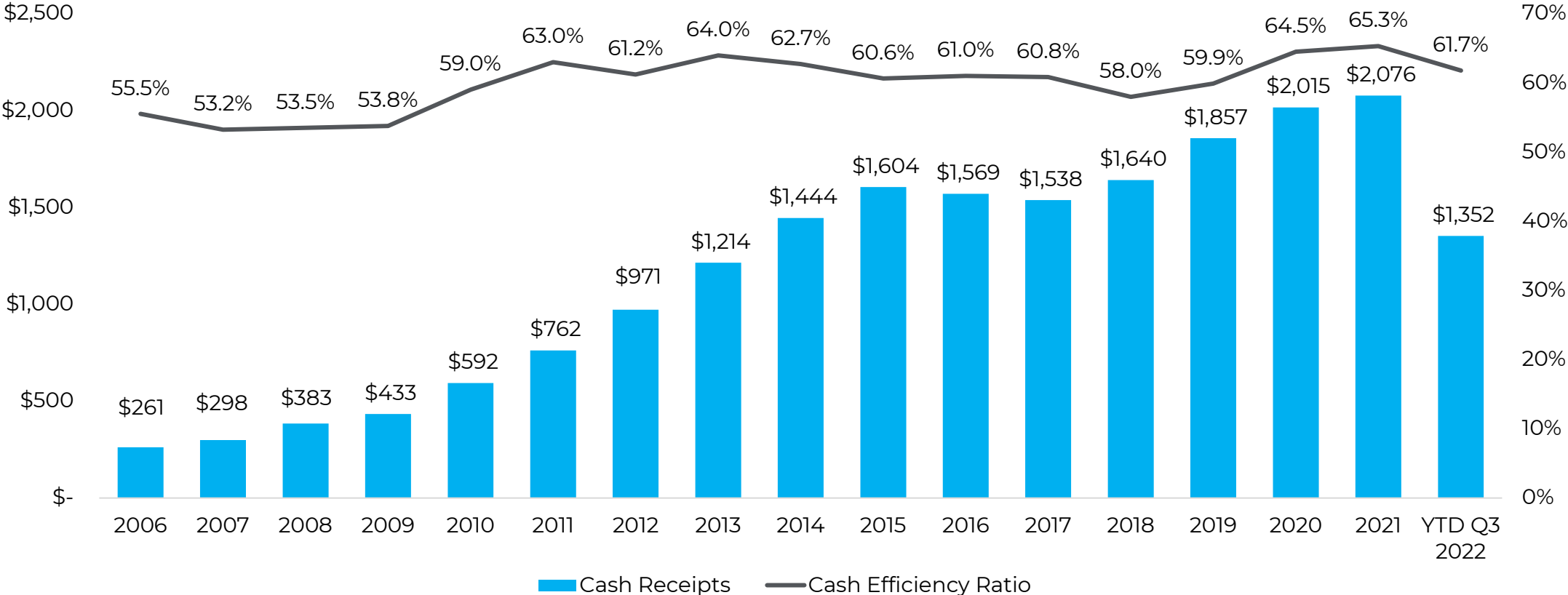
As of September 30, 2022



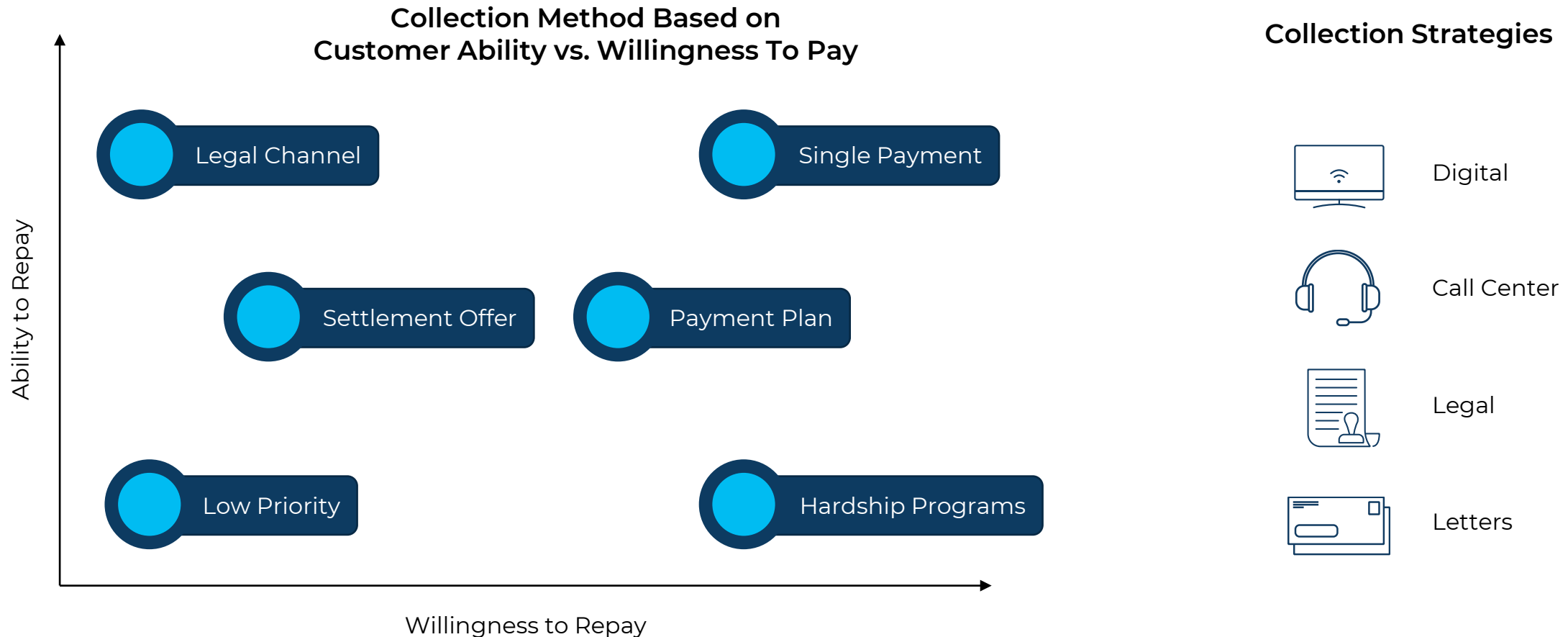
■ United States ■ United Kingdom ■ Central Europe ■ Northern Europe ■ Other Americas and Australia ■ Southern Europe

Long Track Record of Efficiently Generating Cash Receipts

Cash efficiency ratio = (cash receipts – operating expenses)/cash receipts

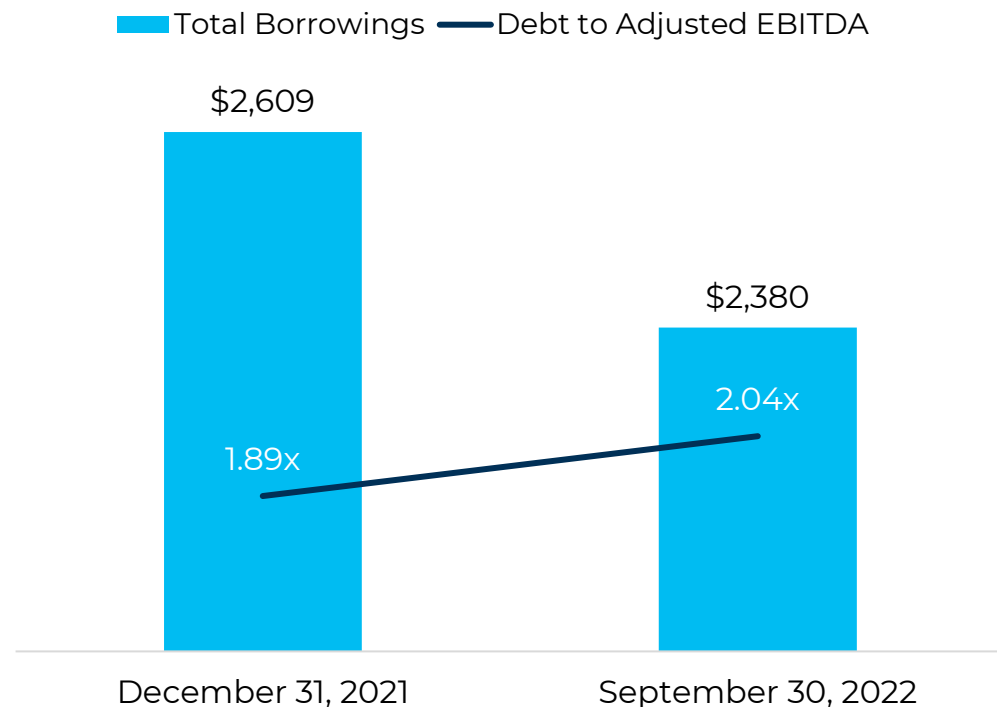


We Use Data & Analytics to Determine the Most Efficient Collection Strategy



Strong and Conservative Capital Structure

\$ in millions



- **\$1.7 billion** total available capacity under credit facilities
- **\$455 million** available capacity after considering borrowing base restrictions
- As we purchase more portfolios and increase ERC, our borrowing base increases, allowing us to draw **more capital** from our credit facilities
- Target Debt to Adjusted EBITDA* of **between 2.0x and 3.0x**

Share Repurchase Program



Repurchased \$25 million, or 663 thousand shares, of our common stock in Q3 2022



Repurchased 16% of outstanding common shares since we began buying back shares in 2021



\$68 million remained in our share repurchase authorization as of September 30, 2022

Agenda

Industry Overview

Company Overview

Market Overview

Financial Overview

Investing in PRA Group

Appendix



Strategies That Will Continue to Drive Our Future



**Expanding products
and market share**



**Modernizing
collections and
improving efficiency
at all levels**



**Being a recognized
and trusted brand**



**Fostering a
high-performing
workforce**

Capital Allocation Strategy

Taking a Long-term Approach to Generate Strong Returns for Shareholders



Portfolio Purchases

- Purchased \$562 million of portfolios in the nine months ended September 30, 2022
- **Well-positioned in the credit cycle** to take advantage of additional supply



Mergers & Acquisitions

- **New Head of Corporate Development**
- Focused on increasing market share in key countries, leveraging our current data and customer base, and exploring complementary adjacencies



Share Repurchase Program

- \$99 million of shares repurchased in the nine months ended September 30, 2022
- **Repurchased 16% of shares outstanding** since program launched in 2021
- \$68 million remained in our share repurchase authorization as of September 30, 2022

Seasoned Management Team with a Long Tenure and Strong Track Record of Success



Kevin Stevenson

President, CEO and Co-Founder



Pete Graham

Chief Financial Officer
6 years at PRA



Chris Graves

Global Investments and Analytics Officer
16 years at PRA



Steve Roberts

Global Operations Officer
10 years at PRA



Martin Sjölund

President, PRA Group Europe
8 years at PRA



Laura White

Chief Risk and Compliance Officer
8 years at PRA



LaTisha Tarrant

Chief Human Resources Officer
6 years at PRA



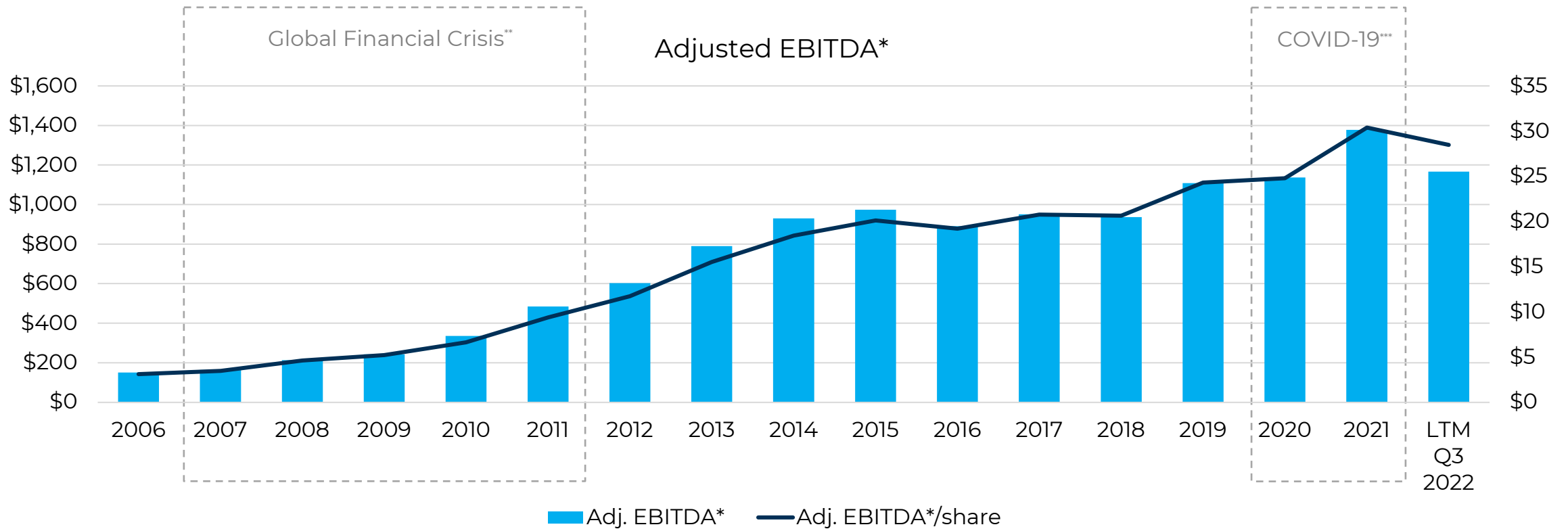
Chris Lagow

General Counsel and Assistant Secretary
16 years at PRA

Private Practice in NY and VA

How We Have Grown Shareholder Value Over Time

\$ in millions, Adjusted EBITDA per share = Adjusted EBITDA/diluted shares outstanding



*Please refer to the reconciliation of this non-GAAP metric to the most applicable GAAP metric at the end of this presentation.

**Timing defined by the Federal Reserve Bank of St. Louis - <https://www.stlouisfed.org/financial-crisis/full-timeline>.

***COVID-19 pandemic resulted in government lockdowns and excess consumer liquidity.

Why Invest Now in PRA?

Global Footprint

- ✓ Geographical diversification enables **effective allocation of capital across the globe** when opportunities arise

Experienced and Tenured Management

- ✓ Founder-led CEO with **stable and tenured leadership team**

25+ Years in Business

- ✓ **Experienced multiple economic cycles** with a long history of substantial cash receipts

Strong Balance Sheet

- ✓ **Low leverage** relative to peers
- ✓ **Capable of deploying significant capital** as supply increases

Robust Track Record of Cash Generation

- ✓ **Adjusted EBITDA per share increased** over 8x from 2006 to 2022*

Disciplined Capital Allocation Strategy

- ✓ **Returns-based strategy** of buying portfolios, M&A, and share repurchases

*Please refer to the reconciliation of this non-GAAP metric to the most applicable GAAP metric at the end of this presentation. Time period is between 2006 through the last twelve months ended September 30, 2022.

Agenda

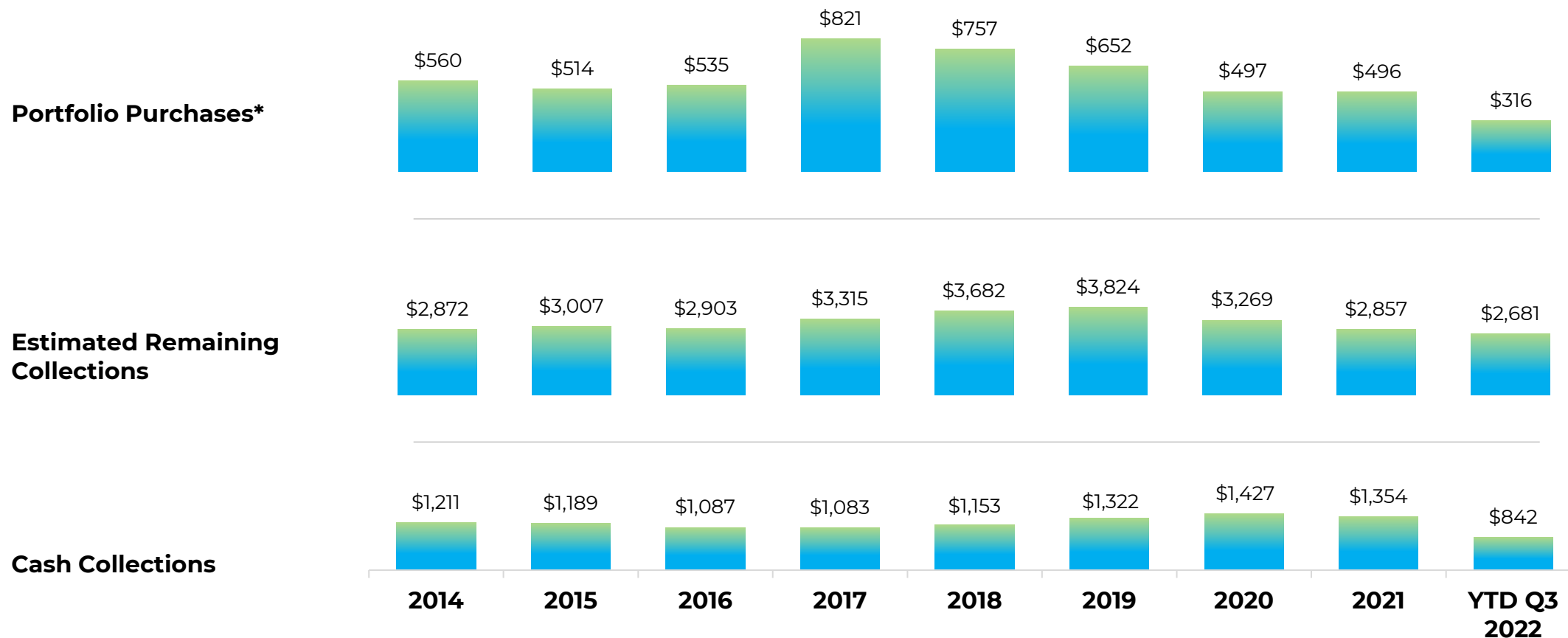
Industry Overview
Company Overview
Market Overview
Financial Overview
Investing in PRA
Appendix



Americas and Australia Selected Results

2014 Through September 30, 2022

\$ in millions

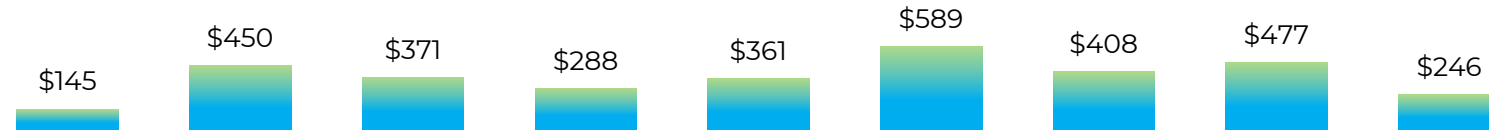


Europe Selected Results

2014 Through September 30, 2022

\$ in millions

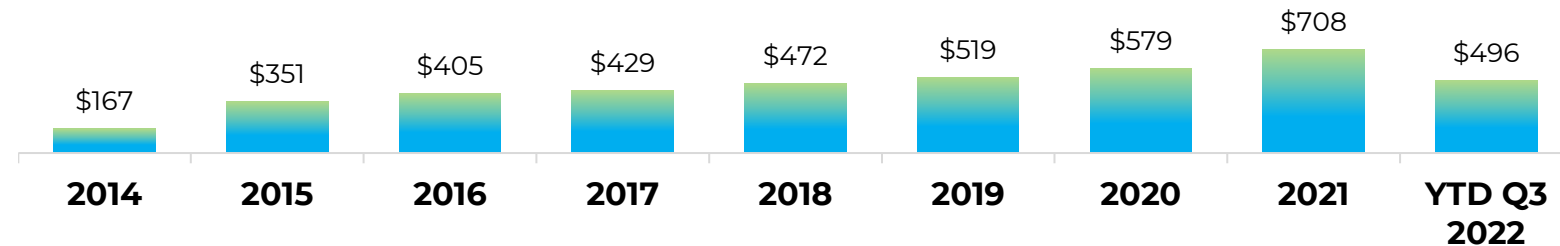
Portfolio Purchases*



Estimated Remaining Collections



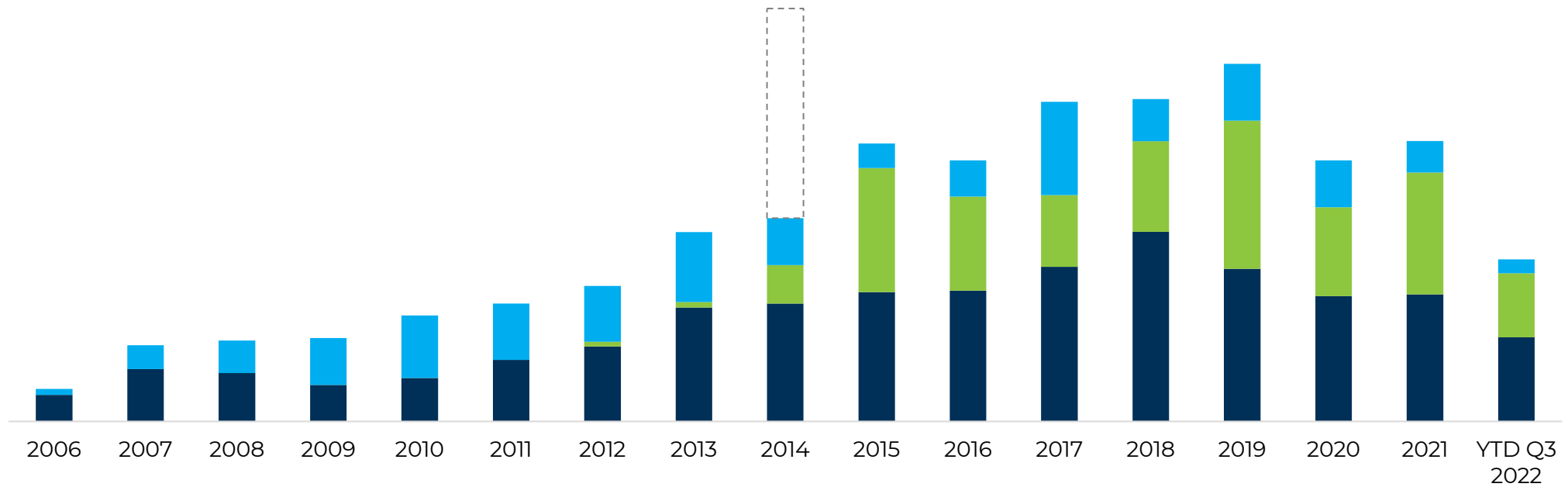
Cash Collections



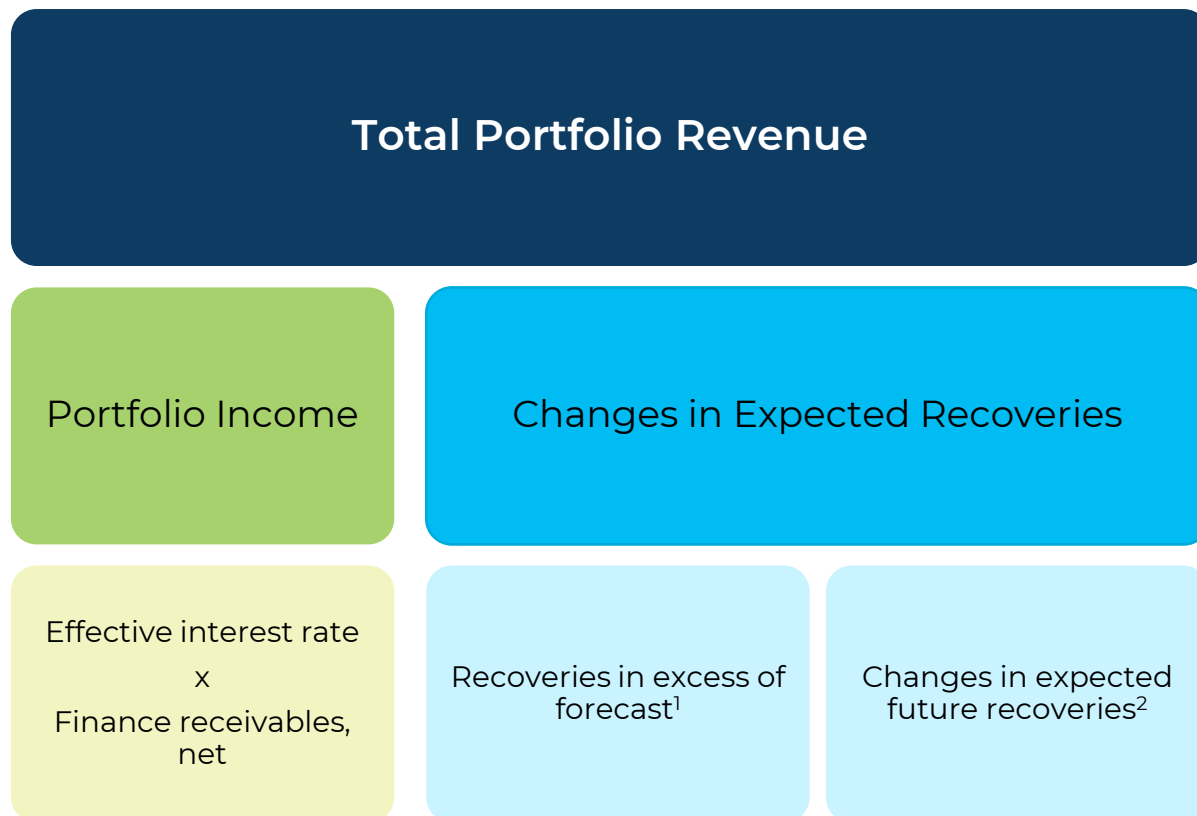
Deploying Capital to Purchase NPLs

\$ in millions

■ Americas and Australia Core ■ Europe Core ■ Global Insolvency □ Aktiv Kapital



Components of Total Portfolio Revenue



Total Portfolio Revenue has two components:

- **Portfolio Income** is the yield component of our revenue
- **Changes in Expected Recoveries** are the changes to total expected collections (current performance and ERC)

	Three Months Ended September 30,	
	2022	2021
Revenues:		
Portfolio income	\$ 185,853	\$ 212,905
Changes in expected recoveries	48,336	43,820
Total portfolio revenue	234,189	256,725
Fee income	6,122	6,209
Other revenue	4,496	764
Total revenues	244,807	263,698

The Basis of Portfolio Income

If Cash is Collected as Expected in Original Underwriting

1. Purchase of Portfolio

- Purchase Price of \$1,000 with Total Estimated Collections of \$2,200 = Purchase Price Multiple of 2.20x
- Effective Interest Rate (EIR) = 28.8% (Gross IRR of purchase price and projected cash collections)
- Finance Receivables, net on the balance sheet reflects the purchase price = \$1,000

Example of Estimated Cash Collections and Effective Interest Rate Calculation

	Purchase	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Expected Cash Collections	(1,000)	376	478	374	289	224	173	117	82	55	32	2,200
Effective Interest Rate Expected Based on Cash Flows	28.8%											

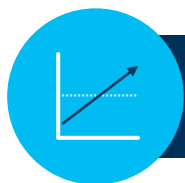
2. Accounting treatment if cash is collected as expected

- Portfolio Income for each year is calculated as effective interest rate (28.8%) multiplied by the Finance Receivables, net balance
- Expected cash collections minus portfolio income reduces the Finance Receivables, net balance, effectively amortizing the purchase price¹

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Cash Collections	376	478	374	289	224	173	117	82	55	32	2,200
Effective Interest Rate	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	28.8%	
Portfolio Income (Finance Receivables, net x Effective Interest Rate)	288	263	201	151	111	78	51	32	18	7	1,200
Beginning Finance Receivables, net	1,000	912	697	524	386	273	178	112	62	25	
-(Expected Cash Collections - Portfolio Income = Purchase Price)	88	215	173	138	113	95	66	50	37	25	1,000
Ending Balance Finance Receivables, net	912	697	524	386	273	178	112	62	25	-	

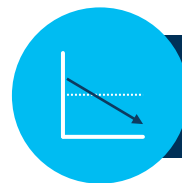
What Happens When Cash IS NOT Collected As Expected

There is Always Some Level of Changes in Expected Recoveries



Collecting **More** Cash Than Expected (**Overperformance**)

- Cash in excess of expectations is recognized as an increase to revenue through **changes in expected recoveries**
- **If** we expect the same total expected cash over the life of the curve, this overperformance is a timing difference where collections are realized earlier in the life of the curve (**acceleration**):
 - A reduction in projected cash flows resulting in a negative NPV adjustment in the current period
 - This NPV adjustment will not fully offset the increase in current period revenue because of time value of money
- **If** we expect higher total expected cash over the life of the curve (**betterment**):
 - An increase in future cash flows (**write-up**)
 - Any change to future cash flows results in a current period impact equal to the NPV of the change in ERC



Collecting **Less** Cash Than Expected (**Underperformance**)

- Cash lower than expectations is recognized as a reduction to revenue through **changes in expected recoveries**
- **If** we expect the same total expected cash over the life of the curve, this underperformance is a timing difference where collections are expected to be realized later in the life of the curve (**delay**):
 - An increase in projected cash flows resulting in a positive NPV adjustment in the current period
 - This NPV adjustment will not fully offset the decrease in current period revenue because of time value of money
- **If** we expect lower total expected cash over the life of the curve (**impairment**):
 - A reduction in future cash flows (**write-down**)
 - Any change to future cash flows results in a current period impact equal to the NPV of the change in ERC

PRA Cares

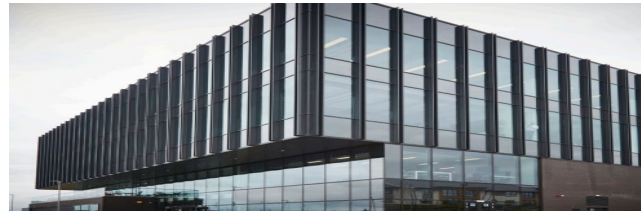
Mission, Vision, & Core Values

Our mission is to deliver nonperforming loan solutions that drive success through a long-term focus and customer care.

Our vision is to be the trusted leader, changing the world's perception of the nonperforming loan industry.



Our ESG Approach



Environmental

We manage our operations and resources in a manner that promotes sustainable practices, including minimizing harm to the environment and the communities in which we operate



- Energy efficiency
- Waste reduction
- Water conservation
- Indoor air quality
- Greenhouse Gas (GHG) emissions mitigation



Social

We continue to foster a sense of belonging by working together to build an equitable and inclusive culture



- Employee engagement
- Community engagement
- Talent development
- Diversity, Equity, and Inclusion (DEI)
- Equitable compensation
- Employee health and safety
- Customer care



Governance

We are committed to maintaining a culture that is focused on risk management, compliance, and ethical business practices



- Business ethics
- Data security and privacy
- Risk management
- Corporate governance



Reconciliation of Non-GAAP Financial Measures to GAAP

Use of Non-GAAP Financial Measures

PRA Group, Inc. reports financial results in accordance with U.S. generally accepted accounting principles (GAAP). However, management uses certain non-GAAP financial measures, including Adjusted EBITDA, internally to evaluate the Company's performance and to set performance goals. Adjusted EBITDA is calculated as net income attributable to PRA Group, Inc. plus income tax expense; less foreign exchange gain (or plus foreign exchange loss); plus interest expense, net; plus other expense (or less other income); plus depreciation and amortization; plus adjustment for net income attributable to noncontrolling interests; and plus recoveries applied to negative allowance less changes in expected recoveries. Adjusted EBITDA is a supplemental measure of performance that is not required by, or presented in accordance with, GAAP. PRA Group, Inc. presents Adjusted EBITDA because the Company considers it an important supplemental measure of operations and financial performance. Management believes Adjusted EBITDA helps provide enhanced period-to-period comparability of operations and financial performance and is useful to investors as other companies in the industry report similar financial measures. Adjusted EBITDA should not be considered as an alternative to net income determined in accordance with GAAP. Set forth below is a reconciliation of Adjusted EBITDA for the last twelve months (LTM) ended September 30, 2022 and for the years ended December 31, 2017 through 2021, to net income, the most directly comparable financial measure calculated and reported in accordance with GAAP. The next slide includes the reconciliation of Adjusted EBITDA for years ended December 31, 2003 through 2019. The calculation of Adjusted EBITDA below may not be comparable to the calculation of similarly titled measures reported by other companies. Additionally, management evaluates the Company's business using certain ratios that use Adjusted EBITDA, including Debt to Adjusted EBITDA, which is calculated by dividing borrowings by Adjusted EBITDA. The second table reflects our Debt to Adjusted EBITDA for LTM as of September 30, 2022 and for the years ended December 31, 2017 through 2021 (amounts in millions):

Adjusted EBITDA for PRA Group, Inc. (\$ in millions)	for the years ended Dec 31,				LTM Sept. 30,	
	2017	2018	2019	2020	2021	2022
Net Income attributable to PRA Group, Inc.	\$164	\$66	\$86	\$149	\$183	\$135
<u>Adjustments:</u>						
Income tax expense (benefit)	(\$11)	\$14	\$20	\$41	\$55	\$43
Foreign exchange (gain) loss	\$1	\$1	(\$12)	(\$2)	\$1	\$0
Interest expense, net and other	\$101	\$121	\$142	\$143	\$124	\$129
Depreciation and amortization	\$20	\$19	\$17	\$18	\$15	\$15
Adjustment for net income attributable to noncontrolling interests	\$7	\$10	\$12	\$18	\$12	\$2
Gain on sale of subsidiaries	(\$48)	(\$27)	\$0	\$0	\$0	\$0
Recoveries applied to negative allowance less changes in expected recoveries*	\$717	\$733	\$843	\$968	\$988	\$842
Adjusted EBITDA	\$951	\$938	\$1,108	\$1,337	\$1,378	\$1,167

*Prior to the first quarter of 2020, this represented collections applied to principle on finance receivables.

	2017	2018	2019	2020	2021	2022
Borrowings	\$2,170	\$2,474	\$2,808	\$2,661	\$2,609	\$2,380
LTM Adjusted EBITDA	\$951	\$938	\$1,108	\$1,337	\$1,378	\$1,167
Debt to LTM Adjusted EBITDA	2.28x	2.64x	2.53x	1.99x	1.89x	2.04x

Reconciliation of Non-GAAP Financial Measures to GAAP

(CONT.)

\$ in millions

	Fiscal Year Ended December 31,																
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net Income Attributable to PRA Group	\$21	\$27	\$37	\$44	\$48	\$45	\$44	\$73	\$101	\$127	\$175	\$177	\$168	\$86	\$164	\$66	\$86
(+) Interest Expense, Net and Other	(0)	0	(0)	(0)	3	11	8	9	11	9	14	35	60	87	101	121	142
(+) Income Tax Expense	13	17	23	28	30	28	28	47	66	81	106	125	89	44	(11)	14	20
(+) Depreciation and Amortization	1	2	5	5	6	7	9	12	13	15	14	18	20	24	20	19	17
(+) Collections Applied to Principal on Finance Receivables	35	47	57	73	77	120	152	195	293	371	481	576	645	647	717	733	843
(-) Gain on Sale of Subsidiaries/Property	--	--	--	--	--	--	--	--	1	--	--	--	--	--	(48)	(27)	--
(+) Foreign Exchange Loss (Gain)	--	--	--	--	--	--	--	--	--	--	--	6	(8)	(3)	1	1	(12)
(+) Adjustment for Net Income Attributable to Noncontrolling Interests	--	--	--	--	--	--	--	--	--	--	--	--	0	6	7	10	12
Adjusted EBITDA	\$70	\$94	\$121	\$150	\$164	\$212	\$242	\$336	\$485	\$603	\$790	\$937	\$975	\$891	\$951	\$938	\$1,108



Najim Mostamand, CFA

VP, Investor Relations

(757) 431-7913

IR@pragroup.com

IR.PRAGROUP.COM